Nuclear energy : third party liability, Protocol on the 1960 Paris Convention

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PURPOSE : to strengthen international cover for nuclear risk. CONTENT : the European Commission approved the extension of the international cover for nuclear risk. To do this, it has adopted two proposals for decisions authorising the Member States which are Parties to the Paris Convention to sign and ratify, in the interest of the Community, the Protocol amending the Paris Convention on third party liability in the field of nuclear energy. This Convention, which was concluded in 1960, lays down requirements concerning the third party liability of nuclear operators and the rules for the compensation of victims in the event of an accident. The new Protocol will make it possible to increase compensation for the victims of nuclear accidents and to broaden the scope of the Convention. It will supplement the Community environmental liability regime which is in the process of being adopted. It should be recalled that in order to improve the system of compensation for nuclear damage, the Contracting Parties to the Paris Convention started negotiations in 1998 to revise the Convention. The aim of the revision is to ensure that more funds are available to compensate a greater number of victims on the basis of a wider definition of damage. The final text of a proposal for a Protocol amending the Paris Convention was approved by the Contracting Parties in February 2002 and was accepted by the OECD's Steering Committee for Nuclear Energy in May 2002. The most notable amendments relate to extending the geographical scope of the Convention to nuclear damage occurring on the territory or in the maritime area of States which are not Contracting Parties to the Convention, and extending the concept of indemnifiable damage to non-material damage and to the cost of preventive measures and measures to restore the environment. The most significant improvement is the increase in the liability amounts for operators of nuclear installations. The operator's liability is increased from a maximum amount of 15 million SDR in the current Convention to a minimum reference amount of EUR 700 million, with national governments then being free to set a higher amount or to provide for the unlimited liability of the operator. This increase also concerns low risk installations, where the liability of the operator is increased from 5 million SDR to a minimum of EUR 70 million and for accidents during the transport of nuclear substances, where the liability of the operator is increased from 5 million SDR to a minimum of EUR 80 million. This increase in the amounts for which operators of nuclear installations are liable is accompanied at the same time by an increase in the amount of supplementary funds provided for by the Brussels Supplementary Convention, which is also being revised.