

## Public Law 85-256

September 2, 1957  
[H. R. 7383]

**Nuclear damages.**  
Availability of funds.  
68 Stat. 921.  
42 USC 2012.

**License conditions.**  
22 USC 2073.

**Definitions.**  
68 Stat. 922; 70  
Stat. 1069.  
42 USC 2014.

68 Stat. 919.  
42 USC 2011  
note.

42 USC 2133,  
2134, 2235, 2073,  
2093, 2111.

## AN ACT

To amend the Atomic Energy Act of 1954, as amended, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Atomic Energy Act of 1954, as amended, is amended by adding a new subsection to read as follows:*

“i. In order to protect the public and to encourage the development of the atomic energy industry, in the interest of the general welfare and of the common defense and security, the United States may make funds available for a portion of the damages suffered by the public from nuclear incidents, and may limit the liability of those persons liable for such losses.”

SEC. 2. Subsection 53 e. (8) of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

“(8) except to the extent that the indemnification and limitation of liability provisions of section 170 apply, the licensee will hold the United States and the Commission harmless from any damages resulting from the use or possession of special nuclear material by the licensee.”

SEC. 3. Section 11 of the Atomic Energy Act of 1954, as amended, is amended by adding thereto the following new subsections, and redesignating the other subsections accordingly:

“j. The term ‘financial protection’ means the ability to respond in damages for public liability and to meet the costs of investigating and defending claims and settling suits for such damages.”

“n. The term ‘licensed activity’ means an activity licensed pursuant to this Act and covered by the provisions of section 170 a.”

“o. The term ‘nuclear incident’ means any occurrence within the United States causing bodily injury, sickness, disease, or death, or loss of or damage to property, or for loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of source, special nuclear, or byproduct material.”

“r. The term ‘person indemnified’ means the person with whom an indemnity agreement is executed and any other person who may be liable for public liability.”

“u. The term ‘public liability’ means any legal liability arising out of or resulting from a nuclear incident, except claims under State or Federal Workmen’s Compensation Acts of employees of persons indemnified who are employed at the site of and in connection with the activity where the nuclear incident occurs, and except for claims arising out of an act of war. ‘Public liability’ also includes damage to property of persons indemnified: *Provided*, That such property is covered under the terms of the financial protection required, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs.”

SEC. 4. The Atomic Energy Act of 1954, as amended, is amended by adding thereto a new section, with the appropriate amendment to the table of contents:

“SEC. 170. INDEMNIFICATION AND LIMITATION OF LIABILITY.—

“a. Each license issued under section 103 or 104 and each construction permit issued under section 185 shall, and each license issued under section 53, 63, or 81 may, have as a condition of the license a requirement that the licensee have and maintain financial protection of such type and in such amounts as the Commission

shall require in accordance with subsection 170 b. to cover public liability claims. Whenever such financial protection is required, it shall be a further condition of the license that the licensee execute and maintain an indemnification agreement in accordance with subsection 170 c. The Commission may require, as a further condition of issuing a license, that an applicant waive any immunity from public liability conferred by Federal or State law.

Indemnification agreement.

“b. The amount of financial protection required shall be the amount of liability insurance available from private sources, except that the Commission may establish a lesser amount on the basis of criteria set forth in writing, which it may revise from time to time, taking into consideration such factors as the following: (1) the cost and terms of private insurance, (2) the type, size, and location of the licensed activity and other factors pertaining to the hazard, and (3) the nature and purpose of the licensed activity: *Provided*, That for facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the amount of financial protection required shall be the maximum amount available from private sources. Such financial protection may include private insurance, private contractual indemnities, self insurance, other proof of financial responsibility, or a combination of such measures.

Waiver.

Liability insurance.

“c. The Commission shall, with respect to licenses issued between August 30, 1954, and August 1, 1967, for which it requires financial protection, agree to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability arising from nuclear incidents which is in excess of the level of financial protection required of the licensee. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed \$500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage. Such a contract of indemnification shall cover public liability arising out of or in connection with the licensed activity.

Aggregate indemnity.

“d. In addition to any other authority the Commission may have, the Commission is authorized until August 1, 1967, to enter into agreements of indemnification with its contractors for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident. In such agreements of indemnification the Commission may require its contractor to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required, in the amount of \$500,000,000 including the reasonable costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with such contract and for each nuclear incident. The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Commission.

Contracts.

“e. The aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed the sum of \$500,000,000 together with the amount of

Aggregate liability.

Application to  
U.S. district court.

Collection of  
fee.

42 USC 2133,  
2134, 2235.

Private insurance organizations.

Use of services.

41 USC 5.

Terms of settlement.

Survey of causes.

68 Stat. 940.  
42 USC 2161.

financial protection required of the licensee or contractor. The Commission or any person indemnified may apply to the appropriate district court of the United States having venue in bankruptcy matters over the location of the nuclear incident, and upon a showing that the public liability from a single nuclear incident will probably exceed the limit of liability imposed by this section, shall be entitled to such orders as may be appropriate for enforcement of the provisions of this section, including an order limiting the liability of the persons indemnified, orders staying the payment of claims and the execution of court judgments, orders apportioning the payments to be made to claimants, orders permitting partial payments to be made before final determination of the total claims, and an order setting aside a part of the funds available for possible latent injuries not discovered until a later time.

“f. The Commission is authorized to collect a fee from all persons with whom an indemnification agreement is executed under this section. This fee shall be \$30 per year per thousand kilowatts of thermal energy capacity for facilities licensed under section 103. For facilities licensed under section 104, and for construction permits under section 185, the Commission is authorized to reduce the fee set forth above. The Commission shall establish criteria in writing for determination of the fee for facilities licensed under section 104, taking into consideration such factors as (1) the type, size, and location of facility involved, and other factors pertaining to the hazard, and (2) the nature and purpose of the facility. For other licenses, the Commission shall collect such nominal fees as it deems appropriate. No fee under this subsection shall be less than \$100 per year.

“g. In administering the provisions of this section, the Commission shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the Commission may contract to pay a reasonable compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon a showing by the Commission that advertising is not reasonably practicable and advance payments may be made.

“h. The agreement of indemnification may contain such terms as the Commission deems appropriate to carry out the purposes of this section. Such agreement shall provide that, when the Commission makes a determination that the United States will probably be required to make indemnity payments under this section, the Commission shall collaborate with any person indemnified and may approve the payment of any claim under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, take charge of such action, and settle or defend any such action. The Commission shall have final authority on behalf of the United States to settle or approve the settlement of any such claim on a fair and reasonable basis with due regard for the purposes of this Act. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

“i. After any nuclear incident which will probably require payments by the United States under this section, the Commission shall make a survey of the causes and extent of damage which shall forthwith be reported to the Joint Committee, and, except as forbidden by the provisions of chapter 12 of this Act or any other law or Executive order, all final findings shall be

made available to the public, to the parties involved and to the courts. The Commission shall report to the Joint Committee by April 1, 1958, and every year thereafter on the operations under this section.

"j. In administering the provisions of this section, the Commission may make contracts in advance of appropriations and incur obligations without regard to section 3679 of the Revised Statutes, as amended.

SEC. 5. The Atomic Energy Act of 1954, as amended, is amended by adding thereto a new section, making the appropriate amendment to the table of contents, as follows:

"SEC. 29. ADVISORY COMMITTEE ON REACTOR SAFEGUARDS.—There is hereby established an Advisory Committee on Reactor Safeguards consisting of a maximum of fifteen members appointed by the Commission for terms of four years each. The Committee shall review safety studies and facility license applications referred to it and shall make reports thereon, shall advise the Commission with regard to the hazards of proposed or existing reactor facilities and the adequacy of proposed reactor safety standards, and shall perform such other duties as the Commission may request. One member shall be designated by the Committee as its Chairman. The members of the Committee shall receive a per diem compensation for each day spent in meetings or conferences, or other work of the Committee, and all members shall receive their necessary traveling or other expenses while engaged in the work of the Committee. The provisions of section 163 shall be applicable to the Committee."

SEC. 6. Section 182 of the Atomic Energy Act of 1954, as amended, is amended by redesignating subsection b. as subsection c. and subsection c. as subsection d., and by inserting the following subsection as a new subsection b. immediately after subsection a.:

"b. The Advisory Committee on Reactor Safeguards shall review each application under section 103 or 104 b. for a license for a facility, any application under section 104 c. for a testing facility, and any application under section 104 a. or c. specifically referred to it by the Commission, and shall submit a report thereon, which shall be made part of the record of the application and available to the public, except to the extent that security classification prevents disclosure."

SEC. 7. Section 189 a. of the Atomic Energy Act of 1954, as amended, is amended by adding the following sentence at the end thereof: "The Commission shall hold a hearing after thirty days notice and publication once in the Federal Register on each application under section 103 or 104 b. for a license for a facility, and on any application under section 104 c. for a license for a testing facility."

Approved September 2, 1957.

## Public Law 85-257

### AN ACT

To amend the Tariff Act of 1930 to provide for the temporary free importation of casein.

September 2, 1957  
[H. R. 38]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the import duty imposed under paragraph 19 of title I of the Tariff Act of 1930, as amended, shall be suspended with respect to imports entered for consumption or withdrawn from warehouse for consumption during the period beginning with the day following the date of enactment of this Act and ending with the close of March 31, 1960.*

Approved September 2, 1957.

Casein.

46 Stat. 592.  
19 USC 1001.

Report to Congress.

Contracts in advance of appropriations.  
31 USC 665.

42 USC 2203.  
License applications.  
68 Stat. 953; 70  
Stat. 1069.  
42 USC 2232.

Report.  
42 USC 2133,  
2134.

42 USC 2239.  
Hearing.  
Publication in  
F.R.  
42 USC 2133,  
2134.