

Message to the Senate Transmitting a Protocol Amending the Australia-United States Taxation Convention
November 14, 2002

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, a Protocol Amending the Convention Between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Canberra on September 27, 2001 (the "Protocol"). I also transmit, for the information of the Senate, the report of the Department of State concerning the Protocol.

The Convention, as amended by the Protocol, would be similar to recent tax treaties between the United States and other devel-

oped nations. It provides maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Convention, as amended by the Protocol, also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Protocol, and that the Senate give its advice and consent to ratification.

GEORGE W. BUSH

The White House,
November 14, 2002.

Message to the Senate Transmitting the United Kingdom-United States Taxation Convention
November 14, 2002

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains, signed at London on July 24, 2001, together with an exchange of notes, as amended by the Protocol signed at Washington on July 19, 2002 (the "Convention"). I also transmit the report of the Department of State concerning the Convention.

The proposed Convention transmitted herewith would replace the Convention Between the Government of the United States of America and the Government of the

United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at London on December 31, 1975, as modified by a subsequent agreement and protocols.

This Convention, which is similar to tax treaties between the United States and other developed nations, provides for maximum rates of tax to be applied to various types of income, protection from double taxation of income, and for the exchange of information. The Convention also contains rules making its benefits unavailable to persons who are engaged in treaty shopping. The proposed Convention is the first U.S. income tax convention to provide a zero rate of withholding on certain direct investment dividends.

I recommend that the Senate give early and favorable consideration to this Convention, and that the Senate give its advice and consent to ratification.

GEORGE W. BUSH

The White House,

November 14, 2002.

Message to the Senate Transmitting the Convention on Supplementary Compensation for Nuclear Damage *November 14, 2002*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, with a declaration, the Convention on Supplementary Compensation for Nuclear Damage done at Vienna on September 12, 1997. This Convention was adopted by a Diplomatic Conference convened by the International Atomic Energy Agency (IAEA) and was opened for signature at Vienna on September 29, 1997, during the IAEA General Conference. Then-Secretary of Energy Federico Peña signed the Convention for the United States on that date, subject to ratification. Also transmitted for the information of the Senate is the report of the Department of State concerning the Convention.

The Convention establishes a legal framework for defining, adjudicating, and compensating civil liability for nuclear damage that results from an incident in the territory of a Party, or in certain circumstances in international waters, and creates a contingent international supplementary compensation fund. This fund would be activated in the event of an incident with damage so extensive that it exhausts the compensation funds that the Party where the incident occurs is obligated under the Convention to make available.

The international supplementary fund would be made up largely of contributions from Parties that operate nuclear power plants. The improved legal certainty and

uniformity provided under the Convention combined with the availability of additional resources provided by the international supplementary fund create a balanced package appealing both to countries that operate nuclear power plants and those that do not. The Convention thus creates for the first time the potential for a nuclear civil liability convention with global application.

Prompt U.S. ratification of the Convention is important for two reasons. First, U.S. suppliers of nuclear technology now face potentially unlimited third-party civil liability arising from their activities in foreign markets because the United States is not currently party to any international nuclear civil liability convention. In addition to limiting commercial opportunities, lack of liability protection afforded by treaty obligations has limited the scope of participation by major U.S. companies in the provision of safety assistance to Soviet-designed nuclear power plants, increasing the risk of future accidents in these plants. Once widely applied, the Convention will create for suppliers of U.S. nuclear equipment and technology substantially the same legal environment in foreign markets that they now experience domestically under the Price-Anderson Act. It will level the playing field on which they meet foreign competitors and eliminate the liability concerns that have inhibited them from providing the fullest range of safety assistance.