

NOTE

## “Life is Cheap in India”

Arjun Makhijani writes :

Civil Liability for Nuclear Claims Bill, 2010 should be amended to include an explicit provision that says there would be no operator liability cap, and that an initial payment of \$20 billion (about Rs 92,000 crores) would have to be put in escrow in a worst case accident.

Before Indian Parliament votes on limiting the liability of nuclear operators due to accidents, it should carefully consider the much higher limits that the United States has set for itself—about \$11 billion per incident industry maximum (under the Price-Anderson Act). The liability of the operator of the plant would be just Rs 500 crores, about \$110 million, which is just one per cent of the US limit, and about \$450 million per accident. The proposed law allows an adjustment of this upwards or downwards to a possible lower limit of just Rs 300 crores, or about \$65 million. But more than that, Parliament should consider that the actual damages could be far greater than the US liability limit.

Both the US and Indian governments seem to be secure in the idea that such a severe nuclear power plant disaster is so unlikely that it can be disregarded. For instance, that is the response of the United States Nuclear Regulatory Commission in response to the Brookhaven study. Like the proposed Indian bill, the United States government is supposed to cover the excess damages above the corporate limit. Yet, neither country has any practical financial provision to cover damages in anything like the amount of estimated damages.

The ongoing disaster of the petroleum volcano caused by blowout of the BP oil well in the Gulf of Mexico should provide a sobering object lesson. Thinking that does not consider high-consequence but low-probability events borders on folly. BP also considered an uncontrolled blowout to be very low probability. As it turns out, BP, as one of the world's largest corporations, can provide the tens of billions of dollars of damages. But no nuclear company in the United States has the financial muscle to compensate a significant fraction of the maximum officially estimated damages.

India would be ignoring its own tragic history of the 1984 Bhopal disaster, still unfolding with the health and lives of tens of thousands of people ruined, as well the ghastly BP drama that has reduced the United States to a heap of frustration in the face of a powerful oil industry. The Price-Anderson Act in the United States limiting liability to \$11 billion is bad enough. But the Civil Liability Nuclear Claims Bill of 2010 is much worse for two reasons. First, \$110 million cap for the operator, or even higher \$450 million total cap, would not cover even one-tenth of one paisa per rupee of damage in a worst case accident. Second, by setting a liability limit that is so far below even the unsatisfactory US level, the Indian government would be proclaiming its agreement with the lamentable long-held western view that “life is cheap in India.”

If the Civil Liability Nuclear Claims Bill of 2010 it is not amended, it should be withdrawn; if it is not withdrawn, it should be soundly defeated. □□□

