



Nuclear Free Local Authorities Steering Committee

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MEDIA ADVISORY – for immediate release, 20th April 2011

Nuclear Free Local Authorities urges UK Government to withdraw its consultation on nuclear third party liability until Fukushima learning points are known and acted upon.

The Nuclear Free Local Authorities (NFLA) have formally responded to the UK Government's consultation on nuclear third party liability insurance, requesting that the consultation is withdrawn until the learning points from the Fukushima incident are known and acted upon (1).

The consultation on proposed changes by the UK Government to the Paris-Brussels Convention on nuclear third party includes a significant and positive increase of the 'cap' on nuclear companies to £1 billion in the event of an accident at a nuclear reactor. The NFLA though notes that the recent BP Gulf of Mexico oil spill has seen this company have to spend **£20 billion** in clean-up and compensation, and it has been suggested that a nuclear clean-up and compensation from Fukushima is likely to cost as much as **£80 billion** (2), and perhaps much more besides.

The NFLA believes the UK has organised an overly-speedy review of nuclear safety, at a time when other nuclear states are taking a longer and more reflective consideration of the Fukushima incident. Indeed, the 72 nation Convention on Nuclear Safety (to which the UK is a member) last week agreed that it would not review international nuclear safeguards until the Fukushima incident was firmly under control (3). This would not take place until at least **August 2012**. The UK review of Fukushima and its impact on UK nuclear safety will see its interim report published as early as mid May and will be fully completed by September. The owners of the Fukushima plant have said it will take at least another 9 months before the incident is fully and completely under control (4). It will be many months later before we learn of the overall financial costs of this incident on the Japanese taxpayer.

The key points of the NFLA submission are:

- The consultation should be abandoned until all the lessons of the Fukushima Daiichi nuclear disaster have been learnt; and probably not re-launched until after the Nuclear Safety Convention meeting in August 2012.
- A future consultation on any amended proposals to the Convention need to include stakeholder meetings involving the emergency services and local authority emergency planning officers.
- The proposals as they stand at the moment represent a subsidy to the nuclear industry in general and new reactors in particular. There should be no cap on the industry's liability. Setting a £1bn cap at a time when there is an ongoing incident likely to cost many times that figure is illogical.
- Removing the cap is the only way to ensure that the Government's aspiration to offer compensation for a 30 year period to nuclear accident victims suffering from personal injury can be met.
- The insurance industry is unlikely to offer insurance against an unlimited liability and has expressed scepticism about three of the new categories of nuclear damage. The Government may need to consider acting as insurer of last resort – but only at the full market rate determined by an independent committee.

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The NFLA will also make a similar request for withdrawal of the UK Government's consultation on long-term plutonium management, given that one of the Fukushima reactors used mixed oxide spent nuclear fuel – the preliminary view of what to do with the plutonium in the Government's consultation is to reprocess it in a mixed oxide facility (5).

NFLA Chair and Bailie of Dundee, George Regan, comments:

“Given what is still going on at Fukushima in Japan it seems illogical to me that Chris Huhne is continuing with this consultation on the cost of third party nuclear liabilities following an accident or incident at a UK nuclear site. I believe this consultation, and the consultation on long-term plutonium management, must be withdrawn and only reissued when Fukushima is under control and we know what happened and why it happened. The Government should know that patience is a virtue and follow the example of other leading nuclear states in taking its time to consider all aspects of nuclear policy as a result of the Fukushima incident.”

Ends

Notes for editors:

- (1) The NFLA consultation submission is attached with this media release. It can be downloaded from: http://www.nuclearpolicy.org/docs/consultations/NFLA_P_B_Liability_Response.pdf.
- (2) Guardian, quoting from the Yomuri Shimbun newspaper: <http://www.guardian.co.uk/world/2011/apr/13/japan-nuclear-plant-evacuees-compensation>
- (3) Bloomberg 14th April 2011: <http://www.bloomberg.com/news/2011-04-14/nuclear-regulators-delay-study-of-fukushima-lessons-until-2012.html>
- (4) Independent 16th April 2011: <http://www.independent.co.uk/news/world/asia/nuclear-plant-evacuees-call-for-bigger-payouts-2268640.html>
- (5) DECC consultation on the management of the UK's plutonium stocks: <http://www.decc.gov.uk/assets/decc/Consultations/plutonium-stocks/1243-uk-plutonium-stocks.pdf>

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