



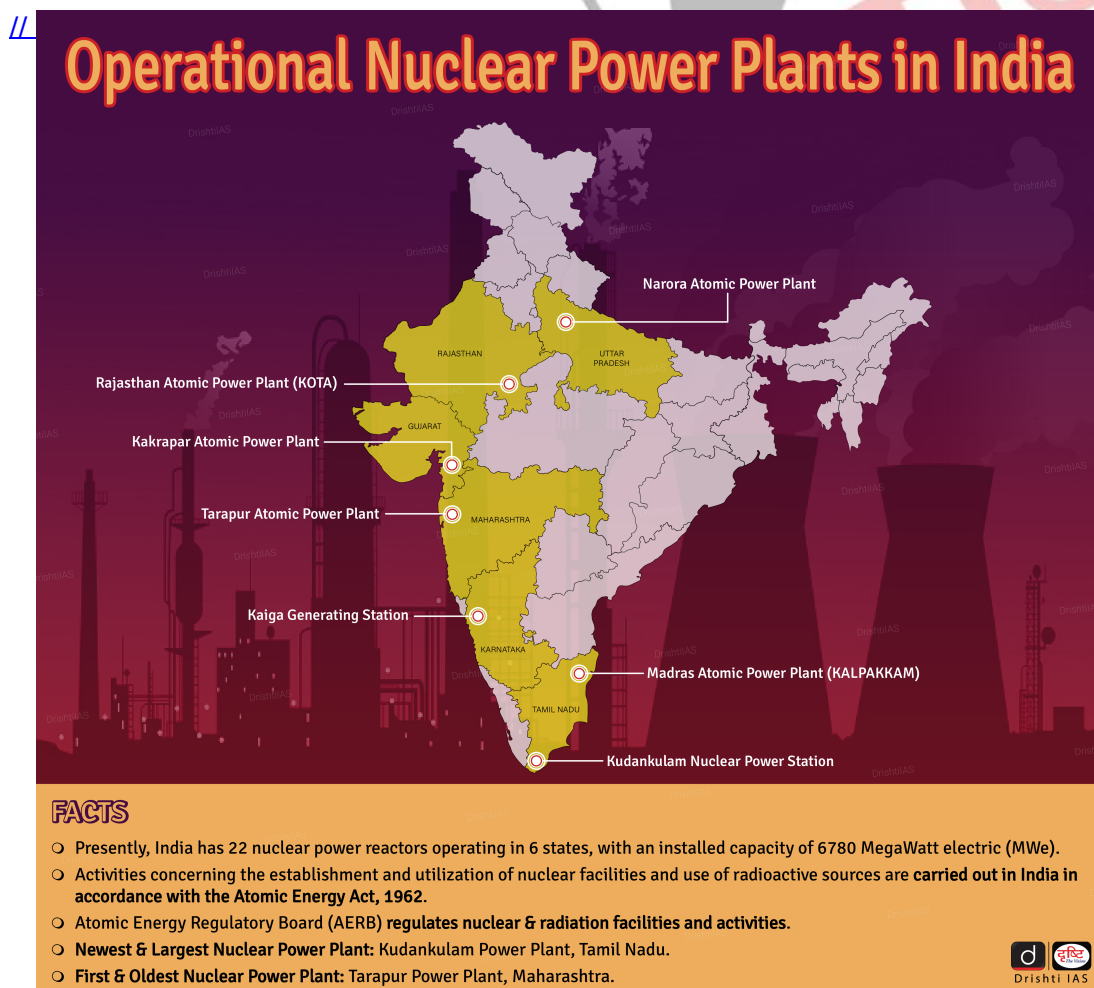
Civil Liability for Nuclear Damage Act 2010

For Prelims: Convention on Supplementary Compensation (CSC), Civil Liability for Nuclear Damage Act (CLNDA), 2010, [Nuclear Power Corporation of India Limited \(NPCIL\)](#)

For Mains: Civil Nuclear Liability law: provisions and challenges

Why in News?

The plan to build [six nuclear power reactors in Maharashtra's Jaitapur](#), which is currently the world's biggest nuclear power generation site under consideration, has been delayed for over a decade due to issues related to India's nuclear liability law.



What are the Laws on Civil Nuclear Liability?

- **About:**
 - Laws on civil nuclear liability ensure that compensation is available to the victims for nuclear damage caused by a nuclear incident or disaster and set out who will be liable for that damage.
- **International Conventions:**
 - The [IAEA](#) serves as depositary for several international legal instruments on civil liability for nuclear damage, these include **the Vienna Convention on Civil Liability for Nuclear Damage and the Convention on Supplementary Compensation for Nuclear Damage**.
 - The umbrella **Convention on Supplementary Compensation (CSC)** was adopted in 1997 with the aim of **establishing a minimum national compensation amount**.
 - India has **ratified CSC in 2016**.
- **India's Civil Liability for Nuclear Damage Act (CLNDA) of 2010:**
 - **Objective:**
 - India enacted the CLNDA in 2010 to put in place a speedy compensation mechanism for victims of a nuclear accident.
 - **Liability on Operator:**
 - The CLNDA provides for **strict and no-fault liability on the operator of the nuclear plant**, where it will be **held liable for damage regardless of any fault** on its part.
 - It specifies the amount the **operator will have to pay in case of damage caused by an accident at ₹1,500 crore**.
 - It also requires the operator to cover liability through insurance or other financial security.
 - **Government's Role:**
 - In case the damage claims exceed ₹1,500 crore, the CLNDA expects the government to step in.
 - It has limited the government liability amount to the **rupee equivalent of 300 million [Special Drawing Rights \(SDRs\)](#)**.
 - **Supplier Liability Clause:** Having realised that the defective parts were partly responsible for the **[Bhopal gas tragedy in 1984](#)**, the govt went beyond the provisions of CSC to provide for supplier liability over and above that of the operator in CLNDA.
 - Under this provision, the **operator of the nuclear plant can seek recourse from suppliers in the event of a nuclear incident caused by supplier actions**, including the supply of equipment or materials with defects, sub-standard services, or the actions of supplier employees.
- **Note:** The CSC provides for **"only" two conditions** under which the national law of a country may provide the operator with the "right of recourse", where they can extract liability from the supplier:
 - if it is expressly agreed upon in the contract or
 - if the nuclear incident "results from an act or omission done with intent to cause damage".

Why is the Supplier Liability Clause an Issue in Nuclear Deals?

- **Deters Foreign and Domestic Suppliers:** Foreign as well as domestic suppliers of nuclear equipment have been wary of operationalizing nuclear deals with India as it has the only law where suppliers can be asked to pay damages.
- **Makes Suppliers Vulnerable:** The suppliers have raised concerns about **potentially getting exposed to unlimited liability** under CLNDA as the **compensation amount is not fixed** under the law as it has been fixed for the operator.
 - **Moreover, they also have highlighted the** ambiguity over how much insurance is to be set aside in case of damage.
- **Lack of Clarity involves Other Laws:** In the **absence of a comprehensive definition on the**

types of 'nuclear damage', the act potentially allows civil liability claims to be brought against the operator and suppliers through other civil laws.

- **Attracts Criminal Liability:** The Act **does not prevent a person from bringing proceedings against the operator under any law other than this Act.** It allows criminal liability to be pursued against the operator and the supplier wherever applicable.

What are the Other Issues with CLNDA?

- **Monetary Capping on Compensation:** The act fixes the liability to a certain monetary limit (**for operators: ₹1,500 crore, for government: rupee equivalent of 300 mn SDRs**). The biggest problem with such capping is the situations when the damage exceeds the limit.
 - The Act does not expressly provide for any provision with respect to cost of damages exceeding the limit.
- **Burden on Taxpayers:** In India, these plants **are state owned and operated through NPCIL** and so ultimately the responsibility for such disasters will be borne by common taxpayers.
- **Neglect of the Additional Costs:** Past incidents such as Chernobyl have shown that the party at fault for a nuclear incident must bear additional costs such as cleaning up and safe disposal of nuclear waste, which are expensive and require caution.
 - However, the Act does not provide any provision for these additional costs.
- **No Foreign Jurisdiction:** India takes supplies from many foreign suppliers which are foreign entities to Indian Law. **Indians can't move to a foreign court to seek compensation.**

Way Forward

- **Provisions for extra territorial jurisdiction should be made** to get access to foreign courts in case compensation is to be sought from a foreign supplier. International Agreements or a robust dispute resolution mechanism could be way out.
- To **take suppliers into confidence, a cap on their liability should also be put** and a maximum **limit on the insurance amount** should also be put.
- Law should be amended to **resolve the ambiguity and provisions for criminal liability** must be eased or scope of criminal proceedings must be clarified.
- Explore **alternative funding mechanisms**, such as insurance or a dedicated fund, to ensure that the burden is not solely on taxpayers.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q1. Consider the following statements: (2017)

1. The Nuclear Security Summits are periodically held under the aegis of the United Nations.
2. The International Panel on Fissile Materials is an organ of International Atomic Energy Agency.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (D)

Q2. In India, why are some nuclear reactors kept under "IAEA safeguards" while others are not? (2020)

- (a) Some use uranium and others use thorium
- (b) Some use imported uranium and others use domestic supplies

- (c) Some are operated by foreign enterprises and others are operated by domestic enterprises
(d) Some are State-owned and others are privately owned

Ans: (b)

Mains

Q1. With growing energy needs should India keep on expanding its nuclear energy programme? Discuss the facts and fears associated with nuclear energy. **(2018)**

Q2. Give an account of the growth and development of nuclear science and technology in India. What is the advantage of fast breeder reactor programme in India? **(2017)**

Source: TH

PDF Refernece URL: <https://www.drishtias.com/printpdf/civil-liability-for-nuclear-damage-act-2010>

