

ENVIRONMENTAL & ENERGY LAW

THE CONVENTION ON SUPPLEMENTARY COMPENSATION (CSC) FOR NUCLEAR LIABILITY IN FORCE APRIL 15, 2015 IMPORTANT IMPLICATIONS FOR NUCLEAR OPERATORS AND SUPPLIERS

Stanley D. Berger B.C.L., L.L.B, Certified Specialist Environmental Law

With Japan having submitted its instrument of ratification to the International Atomic Energy Agency, the CSC will come into force on April 15, 2015. This has significant implications for cross-border nuclear liability and it creates another layer of financial protection for the public in addition to that provided by financial security required under the domestic law of the country of origin of the nuclear incident. Ratifying countries will need to contribute to a fund of 300 million special drawing rights (an SDR is about \$1.50 U.S.) for contingent liability coverage for a nuclear incident in a CSC member state. For operators and suppliers doing business with operators in CSC member states, it means that their liability exposure will be limited to the country where the nuclear incident occurred. The United States has already ratified the CSC. If Canada passes its new *Nuclear Liability and Compensation Act* and ratifies the CSC as it intends to do this year, neither operators nor suppliers in Canada can be liable in the U.S. for an incident arising in Canada, nor can operators or suppliers in the U.S. be responsible in Canada for a nuclear incident arising in the U.S. Liability exposure will be confined within the country of origin. For suppliers doing business in other CSC member states, CSC member countries will likely follow the U.S. lead and demand that suppliers contribute to the member country's contribution to the 300 million SDR contingency fund. The U.S. Department of Energy is seeking comments from the public on this issue pursuant to Section 934 of the *Energy Independence and Security Act* of 2007 see www.energy.gov/gc/convention-supplementary-compensation-rulemaking.



Albert M. Engel, Partner
416.864.7602
aengel@foglers.com



Stanley Berger, Partner
416.864.7626
sberger@foglers.com



Yadira Flores, Associate
416.365.3744
yflores@foglers.com



Tom Brett, Partner
416.941.8861
tbrett@foglers.com

Fogler, Rubinoff LLP
Lawyers
77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K1G8

Tel: 416.864.9700
Fax: 416.941.8852
foglers.com

To unsubscribe click [here](#)