

FINAL BILL REPORT

SHB 2873

Synopsis as Enacted

C 61 L 92

Brief Description: Requiring financial assurance for the disposal of radioactive waste.

By House Committee on Energy & Utilities (originally sponsored by Representatives Grant, May and Rayburn).

House Committee on Energy & Utilities
Senate Committee on Energy & Utilities

Background: Legislation in 1986 called for the low-level radioactive waste disposal site operator and site users to carry liability insurance and to hold harmless the state of Washington for any damages in connection with the site. The Department of Ecology (WDOE) was also directed to review the risks of waste disposal activities and set appropriate amounts of insurance coverage. Similar responsibilities were given to the Radiation Control Office (Department of Health (DOH)) and the Utilities and Transportation Commission.

WDOE reviewed the insurance market and found that liability coverage was prohibitively expensive. Consequently, some portions of statute were not being enforced. An attempt was made in 1990 to clarify the insurance requirements, and also to spread the requirement of holding the state harmless to a wider range of entities using radioactive materials. Further confusion within the industry ensued.

To clarify the situation, in 1991 the Legislature directed the Department of General Administration (Risk Management Division), assisted by WDOE and DOH, to analyze risks and insurance requirements.

The agencies concluded that the risk in the use of low-level radioactive materials and the possibility of exposing the public to injury or causing damage to their property is very low. The state's tort liability exposure arising out of its low-level radioactive materials licensing activities is also minimal. Accordingly, the agencies could not justify requiring radioactive materials licensees to pay high premiums to purchase insurance to protect against low risk events.

Principal agency recommendations were that holders of radioactive materials state licenses not be required to indemnify the state for their activities, that disposal site permit holders continue to execute an indemnity agreement, that insurance coverage requirements be an exception rather than the norm, and that WDOE and DOH be given discretion in specifying insurance requirements.

Summary: Overlapping responsibilities between WDOE and DOH for determining financial assurance are eliminated. WDOE purview is limited to the waste disposal site operator and site use permittees. DOH makes determinations for radioactive material holder licensees.

Throughout, the term "financial assurance" is substituted for other liability provisions in order to be current and to allow as much flexibility as possible for affected parties to meet liability requirements.

WDOE must complete another financial assurance level review and determination by December 1, 1994.

Assurance level determination guidance for DOH is revised to incorporate provisions used by the U.S. Nuclear Regulatory Commission.

License holders may be required to have and to demonstrate financial assurances, but are no longer expressly required to indemnify and hold harmless the state from claims. Provisions which allow WDOE and DOH to exempt certain permittees or license holders from financial assurance requirements are deleted because imposition of these provisions is at the discretion of the departments.

Votes on Final Passage:

House	98	0
Senate	46	1

Effective: June 11, 1992