

**SENATE BILL REPORT**

**SSB 5645**

**AS PASSED SENATE, MARCH 13, 1991**

**Brief Description:** Changing liability of handlers of low-level waste.

**SPONSORS:** Senate Committee on Energy & Utilities (originally sponsored by Senators Thorsness and Williams).

**SENATE COMMITTEE ON ENERGY & UTILITIES**

**Majority Report:** That Substitute Senate Bill No. 5645 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Jesernig, Nelson, Patterson, Roach, Stratton, Sutherland, and Williams.

**Staff:** Dave Monthie (786-7198)

**Hearing Dates:** February 21, 1991; March 5, 1991

**BACKGROUND:**

Persons handling low-level radioactive materials in Washington must receive permits or licenses from various state agencies. The Department of Ecology requires an annual permit from those who dispose of low-level radioactive waste at the low-level site at Hanford. The Department of Ecology licenses persons or entities that handle radioactive materials, such as hospitals, industrial radiographers, and manufacturers. The Utilities and Transportation Commission and the State Patrol regulate the transportation of materials on the state's roads and highways.

Legislation enacted in 1986 required firms with state licenses or permits for packaging, shipping, transporting, treating, storing, or disposing of commercial low-level nuclear materials to bear the risk of potential injury or damage from accidents involving the release of any radioactive materials by (1) holding the state harmless from injuries or damage, and (2) maintaining liability insurance in an amount to be determined by the Department of Ecology. The same legislation required persons applying for such licenses or permits to demonstrate compliance with the insurance requirements, and required the Departments of Ecology and Health to suspend the license of any person failing to demonstrate the required insurance.

Subsequent to enactment of the 1986 legislation, the Department of Ecology provided reports to the Legislature indicating that no separate insurance should be required under these provisions of law because existing general liability coverage for such persons was adequate, or it was already

required under other statutes (e.g., the federal Motor Carrier Act), or insurance was either unavailable or too costly, or the risk of harm was not significant enough to require insurance.

In response to this additional information, the Legislature in 1990 made the statutory provisions with regard to the insurance requirement permissive, based on each agency's judgment as to the need. The Departments of Ecology and Health were given separate and parallel authority to adopt insurance requirements, and to exempt categories of licensees and permittees. Each agency was also required to report to the Legislature by December, 1990 on methods by which licensees and permittees who are otherwise unable to obtain liability coverage may obtain such coverage. Testimony on those reports indicated some problems in obtaining compliance with the existing requirements.

**SUMMARY:**

A task force on low-level radioactive materials is created consisting of the Departments of General Administration, Ecology, Health, the UTC, the Office of Financial Management, and the Washington State Patrol. The Department of General Administration is the lead agency. The task force is to utilize a working group encompassing all those involved in the handling of low-level radioactive materials. The task force is to report by December 15, 1991 to the Energy and Utilities Committees of both houses on its findings and recommendations as to liability insurance for the state's licensees and permittees, and an assessment of the risk and risk management for the state with regard to damages arising out of the activities of the licensees, including requirements for indemnifying and holding the state harmless.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested March 7, 1991

**TESTIMONY FOR:**

Changes need to be made to address the unavailability, or high cost of, liability insurance.

**TESTIMONY AGAINST:**

The bill does not address the real issues of insurance and liability.

**TESTIFIED:** Terry Strong, DOH; Terry Husseman, DOE; Pat Murphie, PM Testing Lab; Robb Menaul, WA State Hospital Assoc.; Bruce Pickett, Boeing Co.