

Environmental Liability

Another important issue for Western proponents of environmental projects is the possibility of liability for contamination of project sites caused by enterprises previously located at such sites. The concern which this issue has caused many senior officials, was described to PHL by one of the American experts advising Vice-Prime Minister Chubais' State Committee on State Assets, which oversees the privatization of industrial enterprises. At present, there are no regulations or laws in this area of concern in Russia.

Recommendation:

PHL has previously referred the Minister-Councillor of the Canadian Embassy in Moscow to John Fitzgibbons, one of the group of American advisors to Vice-Prime Minister Chubais mentioned above. Mr. Fitzgibbons' responsibilities include consideration of environmental liability legislation.

PHL recommends that EEE/DEA consider whether Canadian legal experts could assist the Russian government in preparing a policy on environmental liability. Specific questions mentioned by Mr. Fitzgibbons to be addressed in such a policy involve how privatization contracts should include the assignment of liability between present and previous owners, and the sharing of responsibility for such liability between federal, state and local authorities.