

COMPENSATION TO VICTIMS

INTERNATIONAL LIABILITY AND COMPENSATION REGIMES ARE IN PLACE FOR:

OIL AS CARGO



BUNKER FUEL OIL



PASSENGERS



WRECK REMOVAL



BUT, NO COMPREHENSIVE AND INTERNATIONAL REGIME IS IN PLACE FOR AN HNS INCIDENT.

BENEFITS OF THE HNS CONVENTION

- The HNS Convention is based on the polluter pays principle by ensuring that the shipping and HNS industries provide compensation for victims who have suffered a loss or damage resulting from an HNS incident.
- It is an international regime based on a well tested system of international conventions for compensation for oil spills from tankers.
- It provides a framework for uniform application in all States adopting the HNS Convention and it is directly administered by those States that are members of the regime.
- The HNS Convention benefits all States Parties (producing, receiving and coastal States) through a system of strict liability and clear claims criteria.
- The shipping, oil, chemical, petrochemical and other heavy industries are committed to paying such compensation through an international system:
 - Shipowners are held strictly liable for the cost of an HNS incident.
 - Shipowners are required to have insurance that is State certified. Claimants may take action directly against the insurer.
 - Receivers of bulk HNS cargoes contribute to an international compensation fund administered by States.
 - Contributions will be based on the actual need for compensation.
 - Up to approximately US\$350 million is available per incident.

THE HNS CONVENTION IS NEEDED: WHY

The transport of HNS by sea is a **GLOBAL TRADE**
HNS INCIDENTS DO HAPPEN
 Potential **CONSEQUENCES** of HNS incidents can be **SIGNIFICANT AND COSTLY**
 Comprehensive **INTERNATIONAL COMPENSATION** regime is **MISSING**

The HNS Convention can deliver a fair, adequate and universal system of compensation for victims of HNS incidents.

NEXT STEPS FOR STATES: WHAT TO DO

- **BE PROACTIVE** in ensuring adequate compensation is available in the event of an HNS incident
- **ACCEED TO** the HNS Convention

States are urged to become parties to the HNS Convention, bring it into force and ensure that this outstanding risk is covered internationally.

HOW TO DO IT

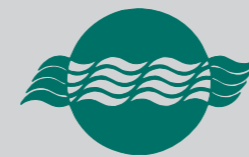
- **FIND OUT MORE** and **VISIT www.hnsconvention.org**
- **CONTACT** the IMO and IOPC Funds' Secretariats

Assistance from the IMO and IOPC Funds is available to States and the industry for implementing the Convention nationally.

www.itopf

www.iopcfunds.org

www.imo.org



IOPC Funds



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IOPC Funds



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THE HNS CONVENTION WHY IT IS NEEDED

Compensation for damage caused by hazardous and noxious substances transported by sea



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INTRODUCTION: A GLOBAL TRADE

The transport of hazardous and noxious substances (HNS) by sea is a vital trade. Chemicals and other products underpin many manufacturing processes and IMO regulations ensure their safe transport. However, incidents do happen and the HNS Convention is the last piece in the puzzle needed to ensure that those who have suffered damage have access to a comprehensive and international liability and compensation regime.

HNS covered by the Convention are defined by references to various IMO Conventions and Codes. These include: oils; other liquid substances defined as noxious or dangerous; liquefied gases; liquid substances with a flashpoint of exceeding 60°C; dangerous, hazardous and harmful materials and substances carried in packaged form or in containers; and solid bulk materials defined as possessing chemical hazards.

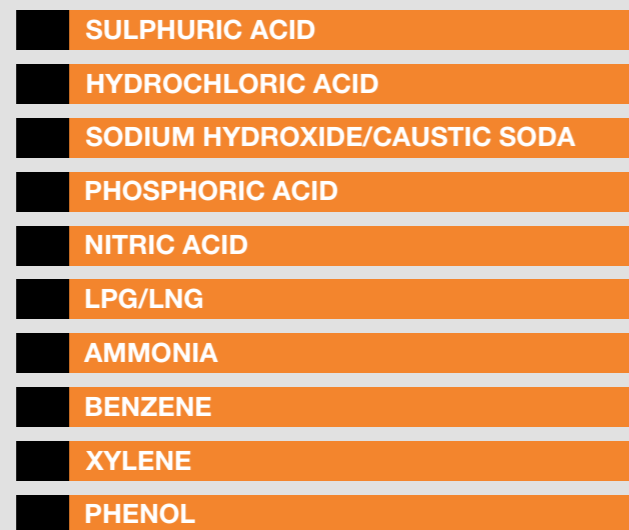
HNS

>2000
Types of HNS regularly transported by sea

>200 MILLION TONNES
Chemicals traded annually by tankers



TOP 10 CHEMICAL SUBSTANCES AT RISK OF BEING INVOLVED IN AN HNS INCIDENT

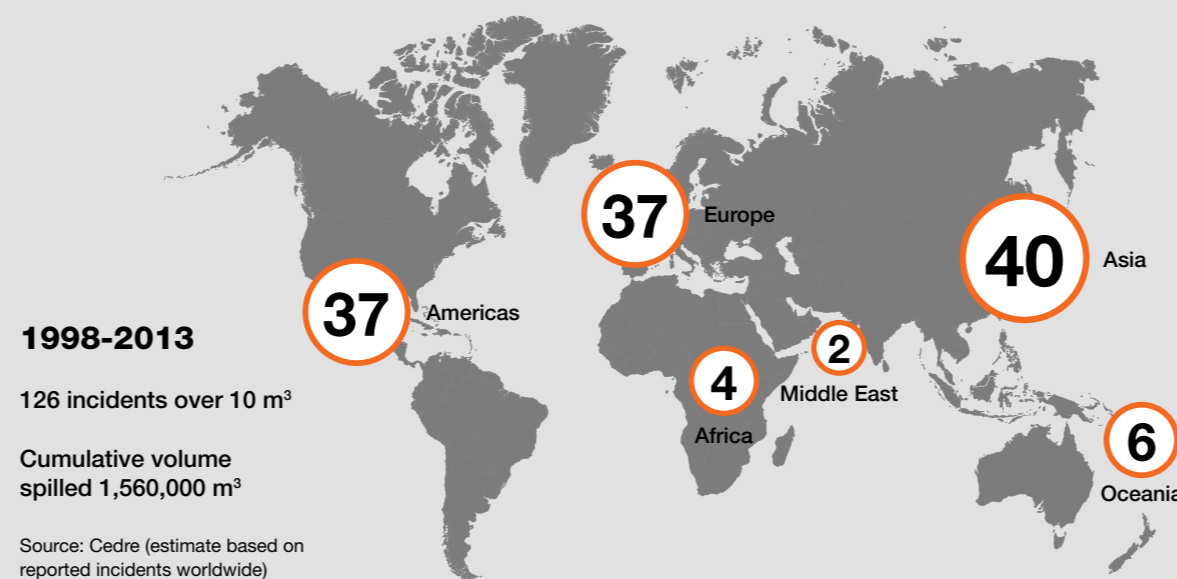


Source: IMO (estimate)

NUMBER OF SHIPS CARRYING HNS WORLDWIDE IS GROWING



HNS INCIDENTS DO HAPPEN



CASON 5 December 1987



Grounded in bad weather north of La Coruña in Spain following fire in cargo holds. Further fire caused by drums of sodium after contact with seawater

HNS INVOLVED

- 1,100 tonnes of packaged chemicals (23 different types) transported in 5,000 barrels, cans, containers and bags
- Bunker oil spill (750 MT) as a result

DAMAGES CAUSED

- Death and personal injury**
- 23 crew members died
- Preventive measures**
- Salvage operations
 - Recovery of dangerous goods cargoes
 - Evacuation of 15,000 people within 5 km
 - Air and water contamination monitoring

Economic losses

- Fishing and harvesting ban
- Impact on commercial activities in the area

BOW MARINER 28 February 2004



Suffered an explosion while crew engaged in cleaning residual Methyl Tert Butyl Ether (MTBE) from a cargo tank and sank outside territorial waters off the coast of Virginia, USA.

HNS INVOLVED

- 11,000 tonnes of Crude industrial ethanol (CIE)
- 720 tonnes of IFO 380 as fuel oil
- 163 tonnes of IFO 180 for the auxiliary engines

DAMAGES CAUSED

- Death and personal injury**
- 21 crew members died
- Preventive measures**
- Salvage operations
 - At-sea recovery of oil

MSC CHITRA 7th August 2010

Involved in a collision within the approaches to the Port of Mumbai, India, causing the vessel to list sharply with the loss of more than 300 containers to sea.



HNS INVOLVED

- 300 containers, including 9 containers classified as Dangerous Goods (aluminium phosphide (AIP); sodium hydroxide; organophosphorus pesticides; environmentally hazardous sub solid)
- Bunker oil spill (approx. 800 MT)

DAMAGES CAUSED

- Death and personal injury**
- None
- Preventive measures**

- Temporary suspension for marine traffic in the Mumbai Harbour area due to hazard posed by floating and sunken containers
- Salvage operations
- Risk assessment to identify and mitigate potential hazards to responders, incorporating atmospheric modelling
- Public health information distributed via leaflets and advisory notices posted at key sites
- Recovery of packages of DG from shoreline
- Protocols established for air monitoring and removal of hazardous material, with assistance from AIP manufacturer and vessel's charterer

Economic losses (HNS & Bunker oil)

- Impact on port operations and shipping movements
- Fishing suspension
- Impact on tourism, in particular at Elephanta Island home to the Elephanta caves, a UNESCO world heritage site

POTENTIAL CONSEQUENCES OF HNS INCIDENTS

HUMAN HEALTH AND SAFETY



Short-term and long-term health risks (e.g. toxic gas release, exposure to chemicals, etc.)



Death and personal injury (e.g. explosion)



Evacuation of local population

ECONOMIC LOSSES



Impacts on fisheries



Impacts on tourism



Interruption of navigation and port traffic

CLEAN UP COSTS AND IMPACTS ON THE ENVIRONMENT



Preventive measures to minimize damages



Clean-up and removal costs



Impact on wildlife and toxicity towards marine species



Restoration of sensitive habitats

COMPENSATION: THE MISSING LINK



PREVENTION

International regulations are in place covering:

- Ship design, operations and safety on board
- Safe transport of dangerous goods
- Loading and unloading and safety consumers



PREPAREDNESS & RESPONSE

International regulations are in place encouraging (or facilitating):

- Preparedness and response to shipping incidents, including HNS
- International or regional arrangements for pollution response



LIABILITY & COMPENSATION

In the event of an HNS incident during transport by sea:

- No uniform and comprehensive international regime is currently in force to compensate victims, cover clean-up costs and help restore the environment
- Compensation available to victims is entirely dependent on national law