



HNS CONVENTION

IOPC Fund 1992

Workshop on Implementation of the HNS Convention

June 28, 2005

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HNS...??



Horrible Nasty Stuff?

Happily IgNoring
Situation?



Honestly Not Sure?

Hope No Solution?



OBJECTIVES



- Provide background and overview of HNS Convention.
- Discuss current status of convention.



HNS CONVENTION



- *International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 1996.*
- Adopted by International Maritime Organization (IMO) in 1996.
- Liability regime to compensate claimants for damages arising from the carriage of HNS.
- Two tier system: Liability is shared by the shipowner and the receiver of HNS cargo.



SCOPE OF CONVENTION



- HNS covered:
 - By reference to existing codes and agreements adopted by IMO for safe handling and carriage of dangerous goods (Article 1 – 6,500 substances).
- Ships covered:
 - All sea-going ships carrying HNS **to, from, within** Contracting State.

SCOPE OF CONVENTION (cont.)



- Damages covered:
 - Loss of **life or personal injury** caused by HNS, onboard or outside the ship.
 - Loss or damage to **property** outside the ship, including evacuation costs.
 - Loss or damage by contamination of the **environment**, including cost of preventative measures.
- Where covered:
 - Territory, territorial sea and exclusive economic zone (EEZ – 200 miles).

TIER 1 – SHIPOWNER'S LIABILITY & INSURANCE



- Strict liability:
 - Excludes acts of war, negligence or wrongful acts of public authorities, third parties or shippers of HNS.

- Compulsory insurance:
 - Approved insurers and certificates.
 - Direct action against insurer.

TIER 1 - LIMITS OF LIABILITY



<i>Ship Tonnage</i>	<i>Limit of Liability</i>
Up to 20,000 GRT	10 million SDR
2,001 – 50,000 GRT	1,500 SDR per ton
50,001 – 100,000 GRT	360 SDR per ton
Over 100,000 GRT	Max. 100 million SDR



TIER 2 – HNS FUND



- Modeled on the International Oil Pollution Compensation Fund.
- HNS Fund will pay compensation when the shipowner's liability is insufficient to provide full compensation to the claimant(s), or when no liability arises under Tier 1.
- Funding through contributions from HNS importers or receivers (international and domestic trade).
- Both bulk and package HNS contribute, subject to annual thresholds.

TIER 2 – HNS FUND

(cont.)

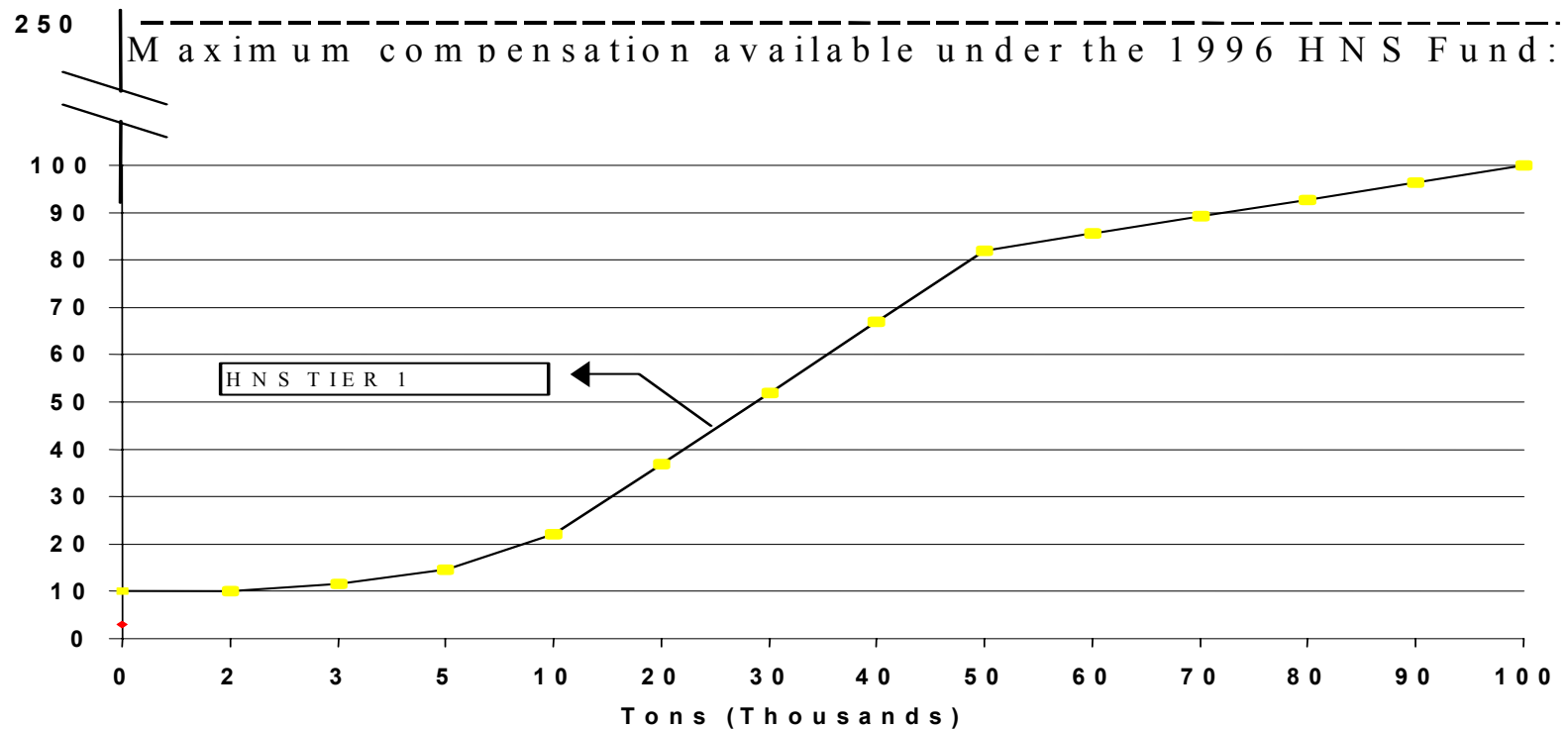


Four accounts for contributing cargo:

<u>Account</u>	<u>Annual Threshold (tonnes)</u>
1) Oil Account*	150,000 persistent oils 20,000 non-persistent oils
2) LPG Account (liquefied petroleum gas)	20,000
3) LNG Account (liquefied natural gas)	Nil
4) General Account	20,000

*Excludes pollution damage caused by persistent oil ie as defined in the 1992 Civil Liability Convention

LIABILITY UNDER TIER 1 & TIER 2





ENTRY INTO FORCE



- HNS Convention will come into force 18 months following the date when:
 - Ratified by 12 states, four of which have no less than 2 million units of gross tonnage.
 - The volume of contributing cargo for the General Account (bulk solids and other HNS) exceeds 40 million tonnes.

ACTIVATION OF ACCOUNTS



- Thresholds for activation (million tonnes):
 - General Account: 40
 - Oil: 350
 - LNG: 20
 - LPG: 15
- Each account is separate – no cross subsidy between funds or industries.
- Collection of contributions “post-event”.



CURRENT STATUS



- Eight (8) countries have signed the HNS Convention to date:
 - Canada, Denmark, Finland, Germany, the Netherlands, Norway, Sweden and the United Kingdom
- Eight (8) countries have ratified the Convention:
 - Angola, Cyprus, Morocco, Russian Federation, St. Kitts and Nevis, Samoa, Slovenia and Tonga



CURRENT WORK



- HNS Convention Contributing Cargo Calculator software developed in 2004 as a tool to submit data on receipts of individual substances for each account or sector of HNS.
- Several states are considering ratification and are currently consulting with stakeholders.

Public Policy and the Crystal Ball Solution...

