



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

THIRD INTERSESSIONAL
WORKING GROUP
Agenda item 2

92FUND/WGR.3/5/9
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REVIEW OF THE INTERNATIONAL COMPENSATION REGIME

Submitted by the Italian delegation

Summary:	Proposal of issues to be considered in the context of the revision of the 1992 Civil Liability and Fund Conventions.
Action to be taken:	To take note of the proposal to be included in the Working Group's list of issues worthy of further consideration.

It is well-known that the contribution system provided by the Civil Liability and Fund Conventions is based on a two-tier regime, the individual owner of the ship which actually polluted being liable up to a certain ceiling; the costs exceeding this ceiling are paid by the Fund – ie the community of all world cargo receivers – up to a much higher, conventional ceiling.

Bearing in mind the principle: "polluter pays", a contribution system based not only on the said two-tier regime (individual shipowner/community of load's receivers) but also on a third intermediate tier consisting of the individual owner of the cargo which actually polluted (who generally is the ship's charterer as well), seems appropriate.

The principal aim of this proposal is to compel the cargo owner to be extremely attentive to the seaworthiness of the ship to be chartered, to consider its past history scrupulously and to perform vetting inspections with the utmost care.

Insurance companies should fix escalating premiums for cargos in inverse proportion to the quality of the ship to be loaded, and refuse cover for the worst ones.

Furthermore, oil companies would be encouraged to re-establish their own fleets, avoiding to charter tramp ships.

Proposal

The thresholds should be fixed as follows: shipowner's liability, up to the ceiling fixed according to the size of the ship; cargo owner's liability, up to double the shipowner's; Fund's liability, up to the conventional ceiling.
