

EU forced to water down passenger liability law

Justin Stares - Tuesday 27 November 2007

European Union ambassadors have agreed to restrict a new passenger liability law to larger vessels on coastal trades.

The agreement, which is expected to be ratified by ministers this week, has been designed to allow smaller shipson commuter trades (mainly in theMediterranean) to escape the proposed regulation.

Ministers are also expected to insist that inland waterway traffic remains outside the scope of the law on the regulation on liability of carriers of passengers by sea and inland waterways in the event of accidents.

As a result, the proposal in its current form will only apply to a fraction of the industry the European Commission intended.

"Italy and Greece were concerned that the proposal would be costly for the smaller operators," said one diplomat. "It might not be an ideal solution, but you have to look for a compromise."

The regulation, which would oblige carriers to take out "insurance or another financial security such as a guarantee" to cover liability of around €300,000 (\$445,000) per passenger, will, if made law, apply only to "Class A" vessels as defined by another directive on maritime safety, 98/18.

The commission was seeking to clear up the EU's patchy maritime passenger liability regime by obliging member states to enforce the Athens Convention and to extend it to both coastal traffic and inland waterways.

But governments soon questioned the costs of the insurance and its availability. Inland waterways should be subject to a separate regime, they said.

The Class A compromise is said to have been proposed by Slovenia, holder of the rotating EU presidency in the first half of next year. It is said to have met with near- unanimous support among the 27 member states, isolating the commission, which remains opposed to any restriction.

If confirmed by council, the regulation will pass back to the European Parliament, which has been confused in its response. The Strasbourg chamber has passed several amendments stripping out inland waterways from the proposal's scope, but has also passed one in favour of the industry's inclusion.

The parliament's rapporteur, Italian MEP Paolo Costa, has been steadfastly opposed to any restriction.

Article from Lloyd's List:

www.lloydslist.com/art/1196093844079

Published: 27/11/2007 GMT

This article is copyright Informa plc. and is reproduced with permission.
Reproduction, retrieval, copying or transmission of this article is not permitted without
the publisher's prior consent. Informa plc. does not guarantee the accuracy of the
information contained in this article nor does it accept responsibility for errors or
omissions or their consequences.