

EU bid for passenger liability harmony hits sour note

Member states raise a chorus of doubts over draft regulation, writes Justin Stares in Brussels

Wednesday November 08 2006

[Print Article](#)

THE European Union's latest attempt to harmonise passenger liability cover for shipping lines is in trouble due to resistance in national capitals.

Member states have raised "lots of doubts" over the draft regulation, which plans to make existing international liability arrangements binding within the EU and to extend them to include both coastal voyages and inland waterways.

At a recent EU council of ministers working group, governments said they were unclear how insurance cover could be found for the proposed regime, and also questioned its costs.

"There were lots of doubts and many questions," said Gaana Haikkinen, maritime co-ordinator for the Finnish EU presidency.

"They asked whether there should be a separate regime for inland waterways, as this is not really a maritime issue, and how they could adapt legislation for commuter traffic to the smaller islands. How will they get this insurance, and how much will it cost?"

The proposal, officially entitled the 'regulation on liability of carriers of passengers by sea and inland waterways in the event of accidents', seeks to create a harmonised liability regime for maritime passengers, much as now exists in the field of aviation.

To achieve this, the commission suggests turning the existing Athens Convention and its 2002 protocol into binding EU law, and extending its provisions to inland waterways and coastal traffic. Current EU legislation is patchy given that the Athens protocol, which defines liability limits, has despite commission encouragement only been ratified by five member states (it needs ten to come into force).

The convention on limitation of liability for maritime claims (known as the LLMC convention) and its protocol of 1996, which together constitute the precursor to the Athens convention, is also only partially ratified.

The new EU proposal would oblige carriers to take out "insurance or another financial security such as a guarantee" to cover liability of around €300,000 per passenger.

Industry has in the past questioned whether such cover would be available, although the rapporteur for the European parliament's transport committee, Italian MEP Paolo Costa, has thrown his weight behind the commission's proposal, albeit with transitional periods for the new industries covered. "This extension is feasible and the insurance market will have the capacity to insure these types of risks with a reasonable extra cost for passengers," Mr Costa wrote in a report for colleagues.

"However, as operators...are not familiar with the schemes implemented at international level...it is suggested [they be given] supplementary deadlines for applying the regulation, two years for regular ferry lines operating on domestic traffic and four years for inland waterways."

Industry is now lobbying for the two-year transitional agreement to be increased to five years. Terrorism cover has also been a sticking point.

Last month the IMO legal committee came to an agreement regarding death and personal injury of passengers as a result of a terrorist act, setting a maximum liability limit of \$500m per ship per incident.

This solution is expected to be "an integral part of the commission proposal", according to the European Community Ship Owners' Association.

The parliament's transport committee is expected to discuss Mr Costa's report later this month.

The plenary is scheduled to vote on the proposal next April.

[close](#)

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