

Bunker Convention and Port State Control

International Convention on Civil Liability for Bunker
Oil Pollution Damage, 2001
(BUNKERS 2001)

Bunker Convention

- the reasons

- Not only oil as cargo is a threat to the marine environment

- Large dry cargo vessels have large bunker tank capacity, e.g. 2.000 tons

Bunker Oil Pollution Damage

- **Entry into force: 21 November 2008**
- to ensure that adequate, prompt, and effective **compensation** is available
- for damage caused on the territory, including the **territorial sea**, and in **exclusive economic zones** of States Parties
- with the need for the registered owner of a vessel over **1.000** gross tonnage to maintain compulsory insurance cover

Bunker Oil Pollution Damage

States of ROPME Area

Bahrain	Iran	Iraq	Kuwait	Oman	Qatar	Saudi Arabia	UAE
yes	yes	no	no	no	no	yes	no

Source: <http://www.imo.org/en/About/Conventions/StatusOfConventions/Pages>; 01.19

Bunker Oil Pollution Damage

What it means:

“adequate, prompt, and effective compensation”:

- not exceeding an amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims, 1976 (**LLMC**)

(More details below)

Bunker Oil Pollution Damage

What it means: „**Pollution damage**“:

- **loss or damage** caused outside the ship by contamination resulting from the escape or discharge of **bunker oil** from the ship
- the costs of **preventive measures** and further loss or damage caused by preventive measures

Bunker Oil Pollution Damage

What it means: “**ship**”:

- **any** seagoing **vessel** and seaborne craft, of any type whatsoever
- not (acc. Art. 4): laden tankships because of CLC (!)
- vessels under the **flag of not states parties**
- yachts

Bunker Oil Pollution Damage

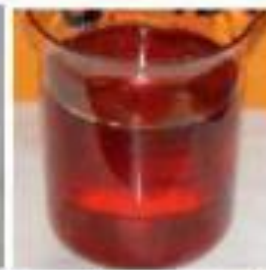
What it means: “**Bunker oil**”:

Any hydrocarbon **mineral oil**

- Heavy Fuel Oil
- Marine Diesel Oil
- Marine Gas Oil
- Petrol
- Luboil
- Hydraulic Oil
- Thermal Oil
- Oil Sludge



diesel gas oil



marine gas oil



fuel oil

Bunker Oil Pollution Damage

What it means: “**Bunker oil**”:

- not cargo of oil tankers or bunkers of them
- in those cases CLC supersedes Bunker Conv.

International Convention on Civil Liability for Oil Pollution Damage (CLC), 1969 and 1992 Protocol to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (FUND 1992)

Bunker Oil Pollution Damage

What it means: “**to maintain compulsory insurance cover**”:

- The **registered owner** is required to maintain insurance
- to cover his liability for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime
- not exceeding an amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims, 1976 (**LLMC**)

Bunker Oil Pollution Damage

What it means: “to maintain compulsory insurance cover”:

Convention on Limitation of Liability for Maritime Claims (LLMC)

(Adoption: 19 November 1976; Entry into force: 1 December 1986; Protocol of 1996: Adoption: 2 May 1996; Entry into force: 13 May 2004)

- 1 million Units of Account for a ship with a tonnage not exceeding 2.000 tons,
- for a ship with a tonnage in excess thereof, the following amount in addition to that mentioned above:
- for each ton from 2.001 to 30.000 tons, 400 Units of Account;
- for each ton from 30.001 to 70.000 tons, 300 Units of Account; and
- for each ton in excess of 70.000 tons, 200 Units of Account.
- 1 Unit of Account = 1 SDR (Special Drawing Right) = 1,4 US\$ (01.02.19); Source IMF.org

Bunker Oil Pollution Damage

- Example M/V “Rena”
37209 GRT =
14.362.700 SDR =
20 mill. US\$



Source: Spiegel online

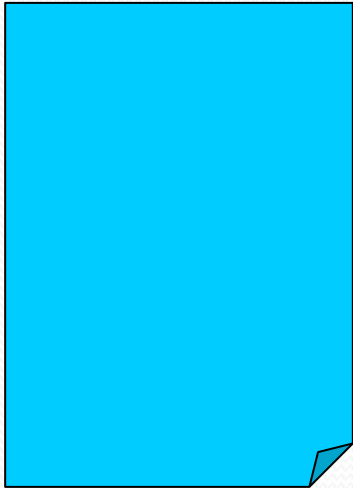
- Spill of 350 tons of fuel oil from 1.733 tons
- Affected 50 km of coastline and many islands.
- 25 mill. US\$ cleanup costs
- Owner spent 32,5 mill. US\$ for cleaning up
([www.radionz.co.nz/news/national/133619/rena-disaster-cost-\\$47-million](http://www.radionz.co.nz/news/national/133619/rena-disaster-cost-$47-million))

Bunker Oil Pollution Damage

The evidence of insurance cover:

- A certificate attesting that insurance or other financial security is in force in accordance with the provisions of this Convention shall be issued to each ship after the appropriate authority of a State Party has determined that the requirements ... have been complied with.
- Without certificate no operation of the ship is allowed by the flagstate.

Bunker Oil Pollution Damage

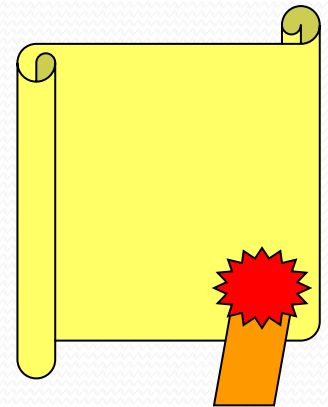


Step 1

- Insurance (P&I Club) issues a „Blue Card“ for the individual vessel

Step 2

- Flagstate Administration issues a certificate
- 1 year valid
- - beginning on 20th February
- on change of owner or flag



Bunker Oil Pollution Damage

Certificate of insurance or other financial security in respect of civil liability for bunker oil pollution damage

Each ship having a gross tonnage greater than 1.000 after the appropriate authority of a State Party has determined that the requirements of article 7, paragraph 1 have been complied with



 THE REPUBLIC OF LIBERIA
BUREAU OF MARITIME AFFAIRS

Certificate Number

CERTIFICATE OF INSURANCE OR OTHER FINANCIAL SECURITY IN RESPECT OF CIVIL LIABILITY FOR BUNKER OIL POLLUTION DAMAGE

Issued in accordance with the provisions of Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001

Name of Ship	Distinctive Number or letters	IMO Ship Identification Number	Port of Registry	Name and full address of the principal place of business of the registered owner
			MONROVIA	

This is to certify that there is in force in respect to the above-named ship a policy of insurance or other financial security satisfying the requirements of Article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

Type of Security POLICY OF INSURANCE

Duration of Security _____ to _____

Name and address of the insurer(s) and/or guarantor(s)
Name: _____
Address: _____

This Certificate is valid until _____

Issued by the Government of The Republic of Liberia, Bureau of Maritime Affairs.
DATE _____
At Vienna, Virginia, U.S.A.


Margaret Annusama
Deputy Commissioner
Maritime Affairs



RLM 223B (2) TID: 11111 - 22222 - 33333 - 44444

Bunker Oil Pollution Damage

The certificate shall contain the following particulars:

- (a) name of ship, distinctive number or letters and port of registry;
- (b) name and principal place of business of the registered owner;
- (c) IMO ship identification number;
- (d) type and duration of security;
- (e) name and principal place of business of insurer or other person giving security and, where appropriate, place of business where the insurance or security is established;
- (f) **period of validity** of the certificate which shall not be longer than the **period of validity of the insurance** or other security.

Bunker Oil Pollution Damage

The task of **PSC** regarding Bunker Conv.:

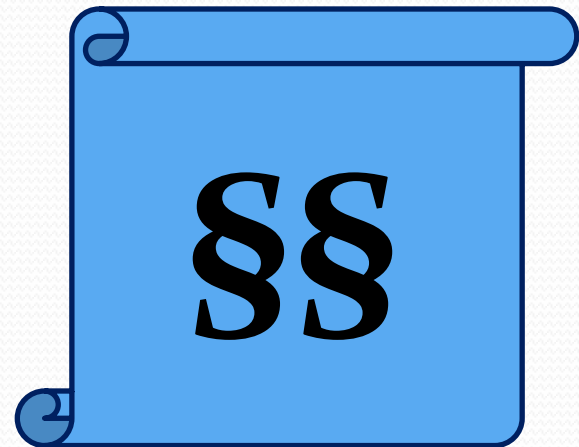
“Each State Party shall **ensure**, under its national law, that **insurance ... is in force** in respect of any ship having a gross tonnage greater than 1.000, wherever registered, **entering** or leaving a port in **its territory**, or arriving at or leaving an offshore facility in its territorial sea. “ (Art. 7 No. 12 Bunker C.)

Bunker Oil Pollution Damage

Enforcement / Sanctions:

National transformation e.g. in Germany:
„Ölschadengesetz“

- No transport of cargo or
- no more cargo operations



Bunker Oil Pollution Damage

Enforcement / Fines:

„Ölschadengesetz“

- As owner intentionally not maintaining an insurance:
- Criminal offence of the owner acc. § 7 (2) ÖISG
(Imprisonment up to one year or fine)
- As owner negligently not maintaining an insurance:
Regulatory offence acc. § 8 (2)
- (up to 5.000,- €)

Bunker Oil Pollution Damage

Enforcement / Fines:

„Ölschadengesetz“

- As master intentionally not keeping the certificate on board:
(difficult evidence)
- Regulatory offence acc. § 8 (1) 3 (up to 5.000,- €)
- As master negligently not keeping the certificate on board:
- Regulatory offence acc. § 8 (1) 3 (up to 2.500,- €)
- In practise: 600,- € when original not on board

Bunker Oil Pollution Damage

Enforcement / Fines:

- The amount of fines show how high the level of protection of the marine environment is set.
- The fines are imposed even without any damage by oil.
- Port State Inspections have a preventive protecting impact.

Bunker Convention and Port State Control



End