A RESOLUTION


1 WHEREAS, the International Convention on Civil Liability for Oil Pollution Damage, 1992, ("CLC Convention") acknowledges the danger of pollution posed by the worldwide maritime carriage of oil in bulk; and

2 WHEREAS, the CLC Convention endeavors to ensure that adequate compensation is available to persons who suffer damage caused by pollution resulting from the escape or discharge of oil from ships, through the adoption of uniform international rules and procedures for determining questions of liability and providing adequate compensation; and

3 WHEREAS, the CLC Convention addresses pollution damage suffered in the territory, territorial sea or EEZ or equivalent area of a State Party, and will pay for both damage and efforts to minimize damage; and

4 WHEREAS, the CLC Convention provides that the owner of a ship shall be liable for loss or damage caused by contamination resulting from the escape or discharge of oil from the ship, provided that compensation for impairment of the environment other than loss of profit shall be limited to costs of reasonable measures of reinstatement actually undertaken or to be undertaken;
and

WHEREAS, under the CLC Convention, ship owners are entitled to limit their liability to an amount linked to the tonnage of their ships, unless it is proved that pollution damage resulted from their own personal act or omission, however, ship owners carrying over 2,000 tons of oil in bulk as cargo must maintain insurance or other financial security up to their limits of liability; and

WHEREAS, actions for compensation may only be brought in the jurisdiction of the Contracting States in which pollution damage has occurred or preventative measures have been undertaken; and

WHEREAS a ship owner must constitute a fund with the relevant Court of that jurisdiction for the total limit of his liability in order to avail himself of the benefit of limitation of liability; and

WHEREAS, the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992, ("Fund Convention") was established in acknowledgment that the regime created by the CLC Convention does not afford full compensation for victims of oil pollution, for example in cases where no liability exists under the CLC Convention, where the owner liable for damage under the CLC Convention is financially incapable of meeting his obligations in full, where security is insufficient to satisfy claims for compensation, or where the damage exceeds the owner's liability under the CLC Convention; and
WHEREAS, the Fund Convention seeks to ensure full compensation to victims and to spread financial responsibility for the economic consequences of oil pollution damage beyond ship owners to those benefiting from the shipment of oil cargo, through financial contributions by persons receiving in excess of 150,000 tons of contributing oil in a calendar year; and

WHEREAS, by becoming a party to the CLC Convention and Fund Convention the FSM will benefit from a strict liability regime and compensation scheme if an oil tanker suffers a spill that affects FSM waters; now, therefore,

BE IT RESOLVED by the Twelfth Congress of the Federated States of Micronesia, Second Regular Session, 2001, that pursuant to article IX, section 2(b) of the Constitution of the Federated States of Micronesia, the Congress hereby ratifies the International Convention on Civil Liability for Oil Pollution Damage, 1992, and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992; and

BE IT FURTHER RESOLVED that certified copies of this resolution be transmitted to the Secretary of Economic Affairs and the Governor of each State.

Date: _____________ Introduced by: __________________________

Joseph J. Urusemal
(by request)