CARRIAGE OF DANGEROUS GOODS AND LAW
The Case of Finland

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1 INTRODUCTION

The carriage of dangerous goods is a heavily regulated field and the legal provisions are subject to regular changes and amendments. There are international conventions and agreements in this field. Some of them apply to international carriage, some to domestic carriage as well. The carriage of dangerous goods has also been the subject of comprehensive EU legislation. A predominant part of the provisions emanates from international treaties or European Union directives, although there exist provisions of a national origin as well in the countries of the Baltic region. This introduction to the subject covers the main provisions relating to the obligations and liabilities of the parties involved in the carriage of dangerous goods.

The huge volume of legislation is a result of the legislators’ concern regarding the public safety in connection with the transportation of dangerous goods. In addition to these special provisions, which impose obligations on the parties of a contract of carriage, the carriage of dangerous goods is subject to general legal framework allocating risks and liabilities between the parties. It is the law of the international or domestic sale of goods that determines the parties’ obligations in respect of organising and contributing to the operation of the carriage. The law of international sales means, in particular, the Incoterms\textsuperscript{1} of the International Chamber of Commerce and the United Nations Convention on Contracts for the International Sale of Goods (CISG). In addition, the law applicable to the relevant mode of transport determines the general obligations and liabilities of the parties in respect of shipments and consignments. The extensive legislation for safety measures and other particular requirements for the carriage of dangerous goods defines the obligations of the parties in greater detail.

\textsuperscript{1} The present version being INCOTERMS 2000.
2 PATCHWORK OF INTERNATIONAL LEGAL REGIMES

Like transport law in general, the carriage of dangerous goods in various modes of transport is often governed by separate legal acts and the scope of the provisions has to be studied each time to verify their application in the context of multimodal transport.

All European Union countries except Ireland are parties to the European agreement concerning the international carriage of dangerous goods by road. The ADR Agreement applies to international carriage of dangerous goods by road and its provisions do not usually differ much from domestic regulations. Pursuant to the Agreement, it is possible to conclude multilateral agreements on particular issues between individual parties to the agreement.

According to section 1.9 of the Agreement, the Competent Authority of an adherent state has to notify its domestic restrictions on the transportation of dangerous goods to the UNECE Secretariat in situations specified in the above section. The Secretariat has to inform then other parties to the Agreement of these restrictions.

The European Union has also regulated the carriage of dangerous goods by road through a directive that is based on the ADR Agreement. This

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2 European Agreement concerning the international carriage of dangerous goods by road (ADR), volume I and II, United Nations, New York and Geneva. The present version is the 2005 version applicable as from 1.1.2005. Parties to the Agreement are the Netherlands, Albania, Azerbaijan, Belgium, Bosnia-Herzegovina, Bulgaria, Spain, United Kingdom, Italy, Austria, Kazakhstan, Greece, Croatia, Cyprus, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Morocco, Moldova, Norway, Portugal, Poland, France, Romania, Sweden, Germany, Serbia-Montenegro, Slovakia, Slovenia, Finland, Switzerland, Denmark, Czech Republic, Ukraine, Hungary, Belarus, Russia and Estonia.

3 For instance, Sweden, Norway and Denmark have concluded a multilateral agreement on the use of Scandinavian languages in transport documents. A list of the multilateral agreements is available at the UN website http://www.unece.org/trans/danger/multi/multi.htm.

4 There is a list of competent authorities notified pursuant to section 1.8 of the ADR Agreement at http://www.unece.org/trans/danger/publi/adr/country-info_e.htm.

5 For more information, see the website http://www.unece.org/trans/danger/publi/adr/country-info_e.htm.

Directive was followed by another directive\(^7\) regarding uniform procedures for checks on the transport of dangerous goods by road. The Directives have given the European Commission the right to make regular changes to the technical provisions or to grant exceptions.\(^8\)

In **international carriages of dangerous goods by rail** the international RID provisions (*Ordnung für die internationale Eisenbahnbeförderung gefährlicher Güter*) are applicable.\(^9\) As a rule, these provisions do not differ from domestic regulations. Russia and Estonia do not apply the RID provisions. The carriage of dangerous goods by rail has also been regulated by the European Union and the European Commission has likewise been vested the right to amend the technical provisions and grant certain exceptions.\(^10\)

As regards **carriage of general cargo by sea** the IMDG Code imposed by Chapter VII the SOLAS\(^11\) Convention comes into application. The 2004 version of the IMDG Code contains the changes introduced by Amendment 32, the application of which has become mandatory as from 1 January 2006.

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\(^9\) The present version the RID is the 2005 version applicable as from 1.1.2005. the Netherlands, Albania, Algeria, Belgium, Bosnia-Herzegovina, Bulgaria, Spain, Iraq, Iran, Ireland, United Kingdom, Italy, Austria, Greece, Croatia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macedonia, Morocco, Monaco, Norway, Portugal, Poland, France, Romania, Sweden, Germany, Serbia-Montenegro, Slovakia, Slovenia, Finland, Switzerland, Syria, Denmark, Czech Republic, Hungary, Tunisia and Turkey.


\(^11\) SOLAS stands for the International Convention for the Safety of Life at Sea which was signed in 1974.
The IMDG Code is published in two volumes and there is also a Supplement.\textsuperscript{12}

The SOLAS Convention has been amended by the INF Code relating to radioactive cargo. The entire name of the INF Code is the International Code for the Safe Carriage of Packaged Irradiated Nuclear Fuel, Plutonium and High-Level Radioactive Wastes on Board Ships.

The carriage of \textbf{dangerous cargo in bulk} is governed by Chapter VII of the SOLAS Convention and there are codes specifying requirements for the construction and equipment of ships involved in transport of dangerous liquid and gas cargoes in bulk.

Eight countries surrounding the Baltic Sea\textsuperscript{13} have concluded a Memorandum of Understanding regarding the transportation of packed general goods on board \textit{roll on-roll off vessels in the Baltic Sea}. The Memorandum has been subject to yearly amendments, all of which have entered into force on January of the subsequent year. The shipowner can apply the rules of the Memorandum in the Baltic Sea including the Gulf of Bothnia, the Gulf of Finland and the entry to the Baltic Sea in short-sea ro-ro traffic where the requirement established in the Memorandum as regards e.g. the training of the crew and personnel are satisfied. The Memorandum contains special provisions relating to the carriage of dangerous goods within the scope of the ADR Agreement and the RID provisions. The Memorandum allows carriage of dangerous goods in designated routes.

In \textbf{air transport}, the ICAO-TI, namely the Technical Instructions for the Safe Transport of Dangerous Goods by Air (2005-2006 Edition), (Doc 9284-AN/905) as well as the IATA-DGR, namely IATA Dangerous Goods Regulations are applicable.

An integral part of the legislation of the EU countries relating to the carriage of dangerous goods is the function of safety adviser. The relevant

\textsuperscript{12} Volume 1 (parts 1, 2 and 4-7 of the Code) contains sections on: general provisions, definitions, training; classification; packing and tank provisions; consignment procedures; construction and testing of packagings, IBCs, large packagings, portable tanks and road tank vehicles; transport operations.

Volume 2 contains the Dangerous Goods List (equivalent to the schedules in previous editions of the Code), presented in tabular format: limited quantities exceptions, the Index and appendices.


\textsuperscript{13} These are Finland, Sweden, Denmark, Germany, Poland, Lithuania, Latvia and Estonia (but not Russia).
Directive\textsuperscript{14} provides that undertakings, the activities of which include the transport, or the related loading or unloading, of dangerous goods by road, rail or inland waterway each appoint one or more safety advisers for the transport of dangerous goods, responsible for helping to prevent the risks inherent in such activities with regard to persons, property and the environment.

The EU has also regulated transportable pressure equipment by a Directive\textsuperscript{15}. The purpose of this Directive is to enhance safety with regard to transportable pressure equipment approved for the inland transport of dangerous goods by road and by rail and to ensure the free movement of such equipment within the Community, including the placing on the market and repeated putting into service and repeated use aspects.

Transportable pressure equipment envisaged in the Directive shall bear a phi-mark as a proof of the equipment meets the requirements put forward by the rules applicable to the carriage of dangerous goods road or rail. The recognition and verification issued in one Member State shall be recognized reciprocally in all EU and EEA states.

The multitude of legal regimes applicable to transport of dangerous goods is, however, alleviated by the fact that the United Nations issue substance-specific Recommendations on the Transport of Dangerous Goods which set the basic requirements for all modes of transport. Known as the Orange Book, this directory provides an extensive list of dangerous goods and their control in transport by air, rail, road, sea and inland waterways. It covers classification and definitions of all dangerous substances; packaging, labelling and relevant shipping documentation; and training of transport workers.


3 THE CASE OF FINLAND

Each of the states around the Baltic Sea has its transport law, but the international legal framework (or patchwork) described above determine the principal contents of the legislation. It is suggested that the relevant authorities are contacted to see how the international framework has been implemented and what are the precise procedures and bodies in each country. In many countries, the relevant provisions are presented at a government website.16

3.1 One statute covers all modes of transport

In Finland, the general provisions as to the carriage of dangerous goods have been collected in one statute. The Finnish Act on Transport of Dangerous Goods (719/1994) covers all modes of transport, but there are decrees specific to each mode containing more detailed provisions.17 The Act thus applies to the transport of dangerous goods by road, by railroad or in other rail traffic, by aircraft over Finnish territory and by Finnish aircraft outside Finnish territory, by Finnish vessel in Finnish waters and outside Finnish waters as well as by foreign vessel in Finnish waters.

16 For Finland, see http://www.mintc.fi/scripts/cgiip.exe/WService=lvm/cm/pub/showdoc.p?DocId=1913&menuid=44/.
17 The following list covers only those decrees that are translated into English:

Road
- Decree of the Council of State on the Transport of Dangerous Goods by Road (194/2002)
- Decree of Ministry of Transport and Communications on the Transport of Dangerous Goods by Road (277/2002) Annexes have not been translated

Rail
- Decree of Ministry of Transport and Communications on the Transport of Dangerous Goods by Rail (278/2002) (Annex has not been translated)

Sea
- Government Decree on the Transport and Temporary Storage of Dangerous Goods in a Port Area (251/2005)

Air
- Decree on the Transport of Dangerous Goods by Air (210/1997)
The Act also applies to the transport of dangerous goods in a port, at an airport and in another terminal. In these places, this Act shall also apply to the temporary storage of dangerous goods.

The Act does not apply to the transport of dangerous goods by sea or inland waterway as bulk cargo nor to transport in vessels equipped with liquid or gas tanks. There are separate regulations for these types of transportations. Neither does it apply to storage, removal or other handling of dangerous goods in industrial or storage areas when this procedure is not in close connection with road transport, rail transport, waterway transport or air transport. Nor does the Act apply to transport of dangerous goods by recreational craft with a length of under 45 meters. In addition to transport, this Act shall also apply to the packaging, tanks and vessels meant for transport of dangerous goods.

Dangerous goods shall mean a substance, which by hazard of explosion, inflammation, risk of infection or radiation, toxicity, corrosiveness or other such property may cause damage to people, the environment or property. The provisions of the Act apply to dangerous compounds, articles, devices, goods, empty packagings, genetically modified organisms and micro-organisms. Transport shall mean the actual transport, loading into a vehicle, loading, unloading and handling of a package or tank containing dangerous goods.

There are also detailed definitions of what is understood by transport in each mode of transport and what is meant by temporary storage.

3.2 Other laws

In addition to the provisions of this Act, other provisions on goods transport shall apply to the transport of dangerous goods unless otherwise laid down in an international obligation binding on Finland.

Unlike the case of carriage of dangerous goods, there exist separate general law statutes for each mode of transport in Finland just as there are one or more international conventions or regimes for the same. These statutes have general provisions similar to the above-mentioned Act concerning dangerous goods.

Chapter 13, sections 5 to 7 of the Finnish Maritime Code (674/1994), for instance, contain the general obligations of the shipper, the charterer and the carrier relating to the shipment. More importantly, sections 40 and 41 of the same Chapter of the Code contain the liability provisions for the shipper.
Section 40 stipulates that the shipper is liable for damage that is caused by the fault or neglect of the shipper or a person this is responsible for. Section 41 adds that if the shipper fails to notify the carrier about the dangerous nature of the cargo and the necessary precautions, the shipper incurs liability for this vis-à-vis the carrier or sub-carrier. The carrier is liable for the general damage caused by its activity. In a case of an environmental catastrophe caused by the dangerous substance, the Maritime Code provides for a global limitation of liability.

Moreover, the protection of employees shall additionally be governed by the provisions of the Act on Industrial Safety (299/1958) and elsewhere in the law. The storage and possession of chemicals shall be governed by the provisions of the Chemicals Act (744/1989) and the Explosives Act (263/1953). Provisions on radioactive substances, nuclear substances and nuclear waste are also contained in the Radiation Act (592/1991) and Act on Nuclear Energy (990/1987).

3.3 Supervision and authorities

The highest management and guidance of supervising compliance with the Act on Transport of Dangerous Goods and provisions and regulations issued thereunder belongs to the Ministry of Transport and Communications. In matters concerning the transport of dangerous goods, the Ministry shall be assisted by an Advisory Board, which has been provided for in a Government Decree.

Compliance with the Act and provisions and regulations issued on the basis of the Act are supervised by the Finnish Maritime Administration, the Finnish Civil Aviation Administration, the Customs Administration, the police authorities, the Finnish Rail Administration, the Border Guard, port authorities, the Safety Technology Authority, the Vehicle Administration Centre, the Finnish Centre for Radiation and Nuclear Safety and the labour protection authorities each in its own field of activity as provided for in this Act and further by a Government Decree. The other duties of these authorities relating to the transport or temporary storage of dangerous goods and to their fields of activity as well as the co-operation between national and foreign authorities shall be provided for in this Act and, where necessary, also by a Government Decree.
The duties of other authorities belonging to their fields of activity for the purpose of ensuring the safety of transport of dangerous goods may also be provided for by a governmental decree.\(^{18}\)

Finland recognizes foreign supervision which is based on the law of another EU Member State or which is based on an international agreement that Finland has entered into.

3.4 Obligations of and requirements for the parties

3.4.1 Due diligence

Article 7 of the Act on Transport of Dangerous Goods contains a general due diligence obligation. Due diligence and care shall be observed in the transport of dangerous goods and in other related measures, such as packaging and temporary storage, by taking into account the type, quantity and transport mode of the goods to be carried.

The parties with an effect on the safety of the transport and temporary storage of dangerous goods, such as the packer, consignor, shipper, consignor, loader, carrier, operator and consignee shall for their part ensure the taking of measures necessary to prevent accidents as well as their harmful consequences to people, the environment and property.

3.4.2 The consignor

The law imposes obligations on the consignor and, in the case of waterway transport, on the shipper and the charterer. There is no definition for consignor or shipper in this act and it is submitted that definitions found in relevant transport statutes for each mode of transport are applicable. Generally speaking, however, the consignor is the person at origin who arranges for the transportation of the shipment whereas the shipper is one that sends goods by any form of conveyance.

The consignor as well as, in the case of waterway transport the shipper and the charterer, shall be liable for verifying that dangerous goods left to be transported have been classified, packed, the packaging marked and left to

\(^{18}\) See decree no. 215/2005.
be transported in compliance with the Act and the provisions and regulations issued pursuant to it.

The consignor and, in the case of waterway transport, the shipper and the charterer shall be liable for the verifying that the name, classification and other information required on the dangerous goods are entered correctly in the transport documents and that the necessary transport documents are delivered to the carrier prior to the transport.

3.4.3 The carrier

The carrier shall ensure that the vehicle, vessel and aircraft used for the transport of dangerous goods can be used for this task, that the wagon to be used for rail transport is fit for the transport, and that in road transport the vehicle is appropriately manned. A permit for the air transport of dangerous goods shall be required of an air transport operator if European Community provisions, an international treaty binding on Finland, or an international standard or recommendation, require a permit or if the requirement of a permit is well-founded in order to ensure the safety of transport.

Prior to commencing the journey, the driver shall ensure that the vehicle is suitable for the transport in question, as well as appropriately manned and loaded, and he shall also ensure that the transport is carried out in accordance with the provisions and regulations in force.

3.4.4 Appointment of a safety adviser

Anyone engaged in the transport of dangerous goods by road or by rail as well as in related packing, loading or other operations relating to the safety of the transport of dangerous goods shall appoint a safety adviser to monitor and direct these operations as well as to seek means to perform any tasks relating to the transport of dangerous goods as safely as possible.19

The safety adviser shall hold a certificate of passing the test arranged by the Vehicle Administration Centre indicating that the person has sufficient knowledge of the transport of dangerous goods and of the duties provided for him.

19 See the Decree on the Safety Adviser for the Transport of Dangerous Goods by Road and Rail (274/2002).
Further provisions on the duty to appoint a safety adviser, his expertise, the examinations required for the certificate and the certificate as well as on the other competence and duties of a safety adviser as well as other related issues shall be issued by a Government Decree on the Safety Adviser for the Transport of Dangerous Goods by Road and Rail (274/2002).

3.4.5 Training

Anyone who carries out tasks relating to the transport or temporary storage of dangerous goods such as packing, consignment, shipping, loading, carriage or unloading shall have the necessary training or other competence required by the task.

The necessary training and other competence are spelled out in the government decrees stipulated for each mode of transport. Further provisions on the practical implementation as well as other technical details of the necessary training and other competence required by the transport by road and by rail shall, where necessary, be issued by a Decree of the Ministry. Further provisions on the practical implementation or the necessary training and other competence required by waterway transport may be issued by a Decision of the Finnish Maritime Administration.

An employer carrying out tasks relating to the transport and temporary storage of dangerous goods shall ensure that the employee has the training or other competence. The employer shall also have data on this training and other competence. The data relating to the training shall, on request, be presented to the authority supervising the transport.

There are requirements for a driving certificate in the Decree on a Driving Certificate of Drivers of Vehicles Carrying Dangerous Goods (1112/1998).

3.4.6 Packagings, tanks and transportable pressure equipment

There exist detailed provisions in governmental decrees, following international agreements, on packagings, tanks and transportable pressure equipment.\(^\text{20}\)

\(^{20}\) Decree on the Conformity Assessment of Packagings and Tanks Used for the Transport of Dangerous Goods (302/2001) (Annexes have not been translated)
- Decree of Ministry of Transport and Communications on the Transportable Pressure Equipment (393/2001) (Annexes have not been translated)
- Decree of Ministry of Transport and Communications on the Transportable Pressure Equipment and Tanks Discharged or Filled by Pressure and Used for the Transport of
3.4.7 Safety planning

Parties in charge of transportation of dangerous goods by road or by rail are obliged to establish a safety plan, when the transportation involves a substance that may cause substantial danger to humans, the environment or property. The Ministry of Transport and Communications has created a model for the safety plan.
ANNEX 1   DAGOB

Project rationale

Over 200,000,000 tons of Dangerous Goods (DG) moves in BSR (plus over 100 million tons in NW Russia) mostly through densely populated areas, imposing real health and safety risks to people and environment. DG Transport is regulated in international conventions by modes: RID (rail); ADR (road); MarPol (bulk by sea) and IMDG (unitised by sea), supplemented by EU and/or national regulation. In addition a unique MoU on designated Ro-Ro ships is applied in the BSR.

Despite formal implementation, DG authorities’ operational practices vary substantially between and even within countries, causing safety and other problems. No BSR-wide analysis on DG cargo flows or on DG-related accidents exists, nor are there publicly available comparative studies on border-crossing transport chains of DG. Units dealing with DG in BSR Ministries responsible for Transport usually have 2-3 staff preparing national DG legislation. Maritime, Rail and Road Administrations have a similar number of DG specialists in central administration, and a handful of field inspectors in main ports, rail and road districts. Other DG-related authorities comprise e.g. port authorities, coast guard, customs, traffic police and rescue services. Their exposure to international cooperation is limited, and best practice is seldom shared across borders. There is imminent need for better information exchange between DG authorities, and between authorities and the private sector. DaGoB comprises partners from several DG authorities, ports, universities and industry associations.

Objectives/expected results

DaGoB aims at improving the co-operations between public and private stakeholders related to DG transport in the BSR by connecting the stakeholders on different levels, providing up-to-date information on cargo flows, supply chain efficiency and risks related to DG transport. DaGoB will:

- Promote correct implementation of DG regulations among stakeholders
- Search the information for better control of the DG supply chains
• Provide a risk assessment in the DG supply chain by studying real life transport cases
• Enable better information exchange between public and private sector stakeholders
• Organize joint field and desk exercises to share valuable information in practice
• Disseminate good practices and other produced information on local, national and also EU level
• Provide the first BSR-wide analyses and surveys of DG flows and accidents in the region

DaGoB will also provide a useful tool for both national Ministries responsible for Transport, their units of DG transport and for Central Administration in Maritime, Rail and Road subsectors.

The long term impacts comprise (I) the establishment of a BSR-wide survey of DG flows and accidents that can be updated in follow-up projects; (II) enabling better cross-border working contacts between DG authorities; (III) opening up ways for a better dialogue between DG authorities and private sector operators and industry associations; and (IV) consolidating the cooperation of research entities dealing with DG issues in the BSR.

More information can be found on the DaGoB project website [www.dagob.info](http://www.dagob.info).
ANNEX 2  ABOUT THE AUTHOR

Dr. Lauri Railas works as an Attorney-at-Law at Krogerus Attorneys Ltd. in Helsinki. He has over twenty years of legal experience in insurance, business organisations, and EU organisations. During his career, Dr. Railas has been working in several fields of corporate law, and he has participated in the drafting of several EC directives, other legal rules, and standard contracts. In his work and writings, Dr. Railas has mostly concentrated on legal problems concerning logistics such as the delivery of goods, distribution, procurement, transport, electronic commerce, and dispute resolution. His experience in the public decision-making processes and European institutions has been of particular use in EU related issues. He is also active as a lecturer at the university level and in various professional training institutions. Dr. Railas has also participated in the activities of several non-profit organisations.

Education

LL.M., University of Helsinki, 1984
Trained at the Bench 1986
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Attorney-at-Law, Member of the Finnish Bar Association since 2005
The carriage of dangerous goods is a heavily regulated field and the legal provisions are subject to regular changes and amendments. EU Directives covering the transport of dangerous goods have a big role in controlling the different transport modes and they have also proved a valuable addition to safety in the transport and trade of dangerous goods.

Transport of Dangerous Goods comprises a wide variety of commodities governed by international conventions, which together with supplementing EU and/or national regulation are mostly implemented in the Baltic Sea Region.

This publication provides concise overview of the main provisions relating to the obligations and liabilities of the parties involved in the carriage of dangerous goods. Purpose is to give a general idea of the Dangerous Goods legislation using Finland as an case country.

This publication is part of a DaGoB-project – Safe and Reliable Transport Chains of Dangerous Goods in the Baltic Sea Region. It aims at improving the co-operations between public and private stakeholders related to Dangerous Goods transport in the BSR by connecting the stakeholders on different levels, providing up-to-date information on cargo flows, supply chain efficiency and risks related to DG transport.

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