

GROUND-HANDLING LIABILITY

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Owner's liability

- Montreal Convention – well-known concept of liability amongst the carriers and the passengers/owners/consignors.
- The owner/consignor assumes full responsibility for the baggage and the cargo.
- In case of any damage, the owner/consignor bears the loss.
- How, to what extent and from whom can the owner seek recovery?



Carrier's liability

- Governing law: Article 22 of the Montreal Convention
- Unless the parties agree otherwise, there is a limitation of liability re damages to baggage or cargo:
 - (a) SDR 1,000 (USD 1,400) per baggage;
 - (b) SDR 17 (USD 23.8) per kg for cargo.
- In case of willful breach, full compensation may be claimed.



Ground-handler's liability

- Carriers always involve ground-handlers for baggage or cargo handling.
- Standardized contract used between the ground-handler and the carrier: the IATA SGHA.
- Ground-handlers mirror the limitation of liability provisions of carriers: sounds simple, but...



Who bears the loss?

- As a general rule, the carrier would cover losses subject to contracted limitations and the owner/consignor will bear the excess.
- The carrier then seeks recovery from the ground-handler.
- The ground handler also covers losses within the (mirrored) contracted limitations.

END OF STORY BUT....



Non-contractual liability

- The owner/consignor's damage is usually greater than the limited amount agreed with the carrier.

AND

- In certain countries local law (where the damage was caused) provides for a full recovery against the ground-handler.

Can the ground-handler hide behind the limitation of liability agreed between the carrier and the owner/consignor?



Thank you!

