



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS 1971
AND 1992

FONDS INTERNATIONAUX
D'INDEMNISATION DE 1971
ET DE 1992 POUR LES
DOMMAGES DUS À LA
POLLUTION PAR LES
HYDROCARBURES

FONDOS INTERNACIONALES
DE INDEMNIZACIÓN DE
DAÑOS DEBIDOS A LA
CONTAMINACIÓN POR
HIDROCARBUROS
DE 1971 Y 1992

IOPC Funds meetings: June 2001 - In Brief

3 July 2001

During the week of 25-29 June 2001, the International Oil Pollution Compensation Funds 1971 and 1992 (IOPC Funds) held various meetings. The 1992 Fund held a meeting of its Executive Committee and a meeting of an intersessional Working Group. The 1971 Fund held a meeting of its Administrative Council, acting on behalf of the Assembly, to deal with Executive Committee matters.

Termination of the 1971 Fund Convention

In 2000, a Protocol to the 1971 Fund Convention was adopted, under which the Convention would cease to be in force **either** when the number of Member States fell below 25 **or** one year after the Assembly noted that the total quantity of contributing oil received in the remaining Member States had fallen below 100 million tonnes, whichever was the earlier. The first of these conditions will now be met when the denunciation of the Convention by the United Arab Emirates takes effect on 24 May 2002. The Convention will therefore cease to be in force on 24 May 2002 and will not apply to incidents occurring after that date.

Erika (France, 1999)

As at 20 June 2001, 4 960 claims for compensation had been submitted for a total of FFfr765 million (£71 million). Of these claims 919 (18%) were presented during the period March - June 2001. Some 3 193 claims totalling FFfr327 million (£31 million) had been assessed at a total of FFfr206 million (£19 million), and payments had been made in respect of 2 038 claims for a total of FFfr82 million (£7.6 million).

The Executive Committee considered the results of a recent study carried out within the French Ministry of Economy, Finance and Industry relating to losses in the tourism industry. In view of the findings of the study and the opinion of the 1992 Fund's own experts the Committee decided to increase the level of payments from 60% to 80% of the loss or damage actually suffered by the respective claimants.

Baltic Carrier (Germany, 2001)

The *Baltic Carrier* collided with the bulk carrier *Tern* on 29 March 2001 off Rostock (Germany), spilling 2 500 tonnes of heavy fuel oil. The oil caused considerable pollution damage in Denmark and possibly also some damage in Sweden. The Executive Committee noted that claims for significant amounts are expected as a result of pollution damage in Denmark. The Committee authorised the Director to settle these claims

Zeinab (United Arab Emirates, 2001)

The *Zeinab* sank on 14 April 2001 off Dubai (United Arab Emirates), spilling an estimated 400 tonnes of fuel oil. The Executive Committee decided that, since the United Arab Emirates was a Party to both the 1971 Fund Convention and the 1992 Fund Convention at the time of the incident, both Conventions applied to the incident and that the liabilities should be distributed between the 1971 Fund and the 1992 Fund on a 50:50 basis.

Aegean Sea (Spain, 1992)

After lengthy discussions with the Spanish Government agreement has been reached between the Government, the 1971 Fund, the shipowner and his insurer on the elements of a global settlement of all remaining issues from the

Aegean Sea incident. The Administrative Council authorised the Director to conclude such an agreement, provided it fulfilled certain conditions.

Review of the international compensation regime

The intersessional Working Group established by the 1992 Fund Assembly to consider the adequacy of the international compensation regime held its third meeting.

The main discussion centred on a proposal to establish, by means of a Protocol to the 1992 Fund Convention, a Supplementary Fund which would provide compensation over and above the 1992 Fund Convention limit for pollution damage in those States which ratified the Protocol. The proposed Supplementary Fund would be financed by oil receivers in the same way as under the system for contributions to the 1992 Fund. However contributions to the Supplementary Fund would only be payable for oil received in the States which ratified the proposed Protocol. The Protocol would be optional so that States could decide whether to ratify it or to stay in just the 1992 system, which would remain unchanged.

The text of a draft Protocol was examined. The Director was instructed to submit a revised Protocol for consideration by the Assembly in October 2001.

The International Group of P & I Clubs, which provide insurance for shipowners' liabilities under the 1992 Civil Liability Convention, indicated that the shipping community was prepared, in principle, to agree to a voluntary increase in the liability for small tankers (up to 5 000 GT) under the 1992 Civil Liability Convention in order to maintain a balance between shipowners and cargo interests as regards the distribution of the economic burden of oil spill incidents.

The Working Group continued its discussions on the admissibility of claims for environmental damage. The Assembly will be invited to consider whether the 1992 Fund should change its policy and become less restrictive in respect of environmental studies and restoration of the environment to the extent permitted under the 1992 Conventions.

The Group will propose to the Assembly that its mandate be extended in order to enable it to consider whether other amendments should be made to the international compensation regime in the longer term.