



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUND 1971

EXECUTIVE COMMITTEE  
54th session  
Agenda item 3

71FUND/EXC.54/4  
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## INCIDENTS INVOLVING THE 1971 FUND

JEONG JIN N°101

Note by the Director

### 1 Introduction

1.1 On 1 April 1997, the Korean bunker barge *Jeong Jin N°101* (896 GRT) was loading heavy fuel oil at an oil terminal in the port of Pusan (Republic of Korea). Approximately 124 tonnes of oil is believed to have overflowed from one of the tanks of the *Jeong Jin N°101* and spilled into the sea.

1.2 Clean-up operations were commenced immediately by the operator of the oil terminal. The spilled oil nevertheless contaminated various parts of the port. The port facilities near the site of the incident, an inner breakwater, six vessels moored in a shipyard next to the breakwater, two piers, another shipyard adjacent to the oil terminal, and four ships under construction or repair in that shipyard were contaminated. Most of the areas were cleaned by contractors. The clean-up operations were completed by the end of April 1997.

1.3 The *Jeong Jin N°101* was not covered by any insurance for liability under the 1969 Civil Liability Convention. However, the shipowner had a bank guarantee issued by a Korean bank for Won 143 million (£99 000), to cover his civil liability for oil pollution damage in respect of this ship.

1.4 The limitation amount applicable to *Jeong Jin N°101* is estimated at Won 148 117 000 (£102 000).

1.5 So far no claims have been presented to the 1971 Fund.

### 2 Consideration at the Executive Committee's 53rd session

2.1 At the Executive Committee's 53rd session, some delegations expressed concern as to whether the 1969 Civil Liability Convention and the 1971 Fund Convention applied to this incident. Attention was drawn to the fact that the Conventions applied only to oil spills from ships actually carrying oil in bulk as

cargo and that the definition of oil referred to oil carried on board a ship. Given the relatively large quantity that had been spilled, a number of delegations considered that the circumstances of the incident should be thoroughly investigated.

2.2 The Director was instructed to investigate the sequence of events leading up to the spill. He was also instructed to examine whether the incident fell within the scope of application of the 1969 Civil Liability Convention and the 1971 Fund Convention, in the light of the position taken by the 1971 Fund in previous cases, eg the *Kugenuma Maru* incident (document 71FUND/EXC.53/12, paragraph 3.10.3).

2.3 Since only limited information was available as to the circumstances surrounding the incident, the Executive Committee deferred any decision in respect of the settlement and payment of claims until its next session (document 71FUND/EXC.53/12, paragraph 3.10.4).

### 3 Sequence of events leading to the spill

3.1 The following information has been received from the 1971 Fund's Korean lawyer, who has investigated the sequence of events leading to the spill:

The *Jeong Jin N°101* was a bunker barge with six holds. She had a crew of four comprising the captain, an engineer, a deck officer and a cook. The deck officer had two years' experience of bunker barges, and had sailed on the *Jeong Jin N°101* for 18 months before the incident. He had obtained a licence as an Oil Pollution Prevention Officer from the Korea Marine Training Institute in November 1996, and the licence was valid for five years.

On 31 March 1997 the *Jeong Jin N°101* moored stern to the pier of the oil terminal because of a shortage of space along the pier. The oil loading pipeline of the terminal was connected to the pipe of the *Jeong Jin N°101*, and loading commenced on 31 March at 2100 hours. At about midnight, the captain went to the port authority to obtain permission to depart, while the deck officer was left in charge of the loading operation.

Holds n°4 and n°5 were loaded simultaneously although at different rates in order to maintain the trim of the barge. Hold n°4 was filled first, and the loading of hold n°5 continued while oil was also directed to hold n°3. When hold n°5 was full, the loading of hold n°2 began. On completion of loading hold n°3, the deck officer should have opened the valve to start the loading of hold n°6. The deck officer failed to open that valve as he had fallen asleep close to some warm pipes on deck, and so all the oil from the terminal was then being loaded into n°2 hold. The deck officer remained asleep (according to him for 10 minutes) and so was unaware that hold n°2 had filled and that oil overflowed from the n°2 hatch and over the side of the barge.

When the captain returned from his visit to the port authority, he noticed that the barge was trimmed by the head (leaning forward) and thought that it was strange. He also heard some sounds of flowing fluid. At about the same time, the employee at the terminal in charge of supplying the oil also heard those sounds and stopped the oil supply pump and closed the emergency valve. The deck officer had woken up by this time and began to take the necessary steps to prevent further oil from leaking. First he opened the valve to n°1 hold to relieve the pressure on n°2 hold, and then he deployed oil booms to prevent the oil from spreading. Staff from the terminal also deployed booms. It was reported that about 124 tonnes had leaked into the sea.

3.2 Technical experts appointed by the 1971 Fund inspected the piping arrangements both on board the *Jeong Jin N°101* and at the terminal. Nothing defective was found. The terminal staff stated that when a known quantity of oil was to be supplied, the loading system could be set to stop automatically once the required quantity had been delivered. The quantity to be loaded on this occasion (some 2 300 tonnes) was 70% of the capacity of the barge. Further, the surveyors learnt that the terminal staff did not, as a

matter of routine, board the barge during such operations, as the loading of the barge was considered to be the responsibility of the crew.

#### **4 Director's analysis**

4.1 The question to be considered is whether the oil pollution damage was caused by oil "carried on board the ship as cargo", as provided in Article 1.6 of the 1969 Civil Liability Convention. From the investigation into the sequence of events it appears that the oil entered into hold n°2 and then overflowed from the hatch of that hold. In these circumstances, the Director takes the view that since the oil had entered the hold, it should be considered as fulfilling the criterion of being carried on board as cargo.

4.2 The 1971 Fund has paid compensation in similar cases, most recently in respect of the *Kugenuma Maru* incident, which was reported to the Executive Committee at its 49th session (documents FUND/EXC.49/10 and FUND/EXC.49/12, paragraphs 3.9.1 and 3.9.2). The *Kugenuma Maru* was loading some 120 tonnes of heavy fuel oil at an oil terminal in Japan when 0.3 tonnes of oil overflowed from the cargo tank and spilled onto the sea due to the mishandling of the valve used for loading. An earlier case is the *Daito Maru N°5*. In that case, the ship was loading heavy fuel oil that overflowed from the cargo tank into the overflow tank through valves which had been left open by mistake after previous unloading, then overflowed from that tank and spilled into the sea (document FUND/EXC.40/9, paragraph 7, reported to the Executive Committee at its 41st session, document FUND/EXC.41/2, paragraph 4.2.2).

4.3 In the light of the position taken by the 1971 Fund in the cases referred to in paragraph 4.2 above, the Director takes the view that the *Jeong Jin N°101* incident falls within the scope of application of the 1969 Civil Liability Convention and the 1971 Fund Convention.

4.4 Provided that the Executive Committee agrees with the Director's analysis, the Committee may wish to consider whether, and, if so, to what extent, it is prepared to authorise the Director to make final settlements of claims arising out of this incident on behalf of the 1971 Fund. In several recent cases, the Director has been given such authority, to the extent that the claims do not give rise to questions of principle which have not previously been decided by the Committee. The Committee may also wish to consider whether and, if so, to what extent the Director should be authorised to make payments.

#### **5 Action to be taken by the Executive Committee**

The Executive Committee is invited:

- (a) to take note of the information contained in this document;
  - (b) to consider whether the *Jeong Jin N°101* incident falls within the scope of application of the 1969 Civil Liability Convention and the 1971 Fund Convention;
  - (c) to consider whether to authorise the Director to make final settlement of the claims arising out of the *Jeong Jin N°101* incident and to make payments in respect of such claims; and
  - (d) to give the Director such instructions as it may deem appropriate in respect of this incident.
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