



INCIDENTS INVOLVING THE 1992 FUND

PRESTIGE

Note submitted by Spain

Summary:	This document contains up-dated information about the impact of the pollution, clean-up operations, neutralization of the hull, economic consequences and interim payment of compensation.
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Action to be taken:	Take note of the information provided.
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1 Impact of the pollution

1.1 *Affected coastline*

Out of a total of 1 064 beaches existing on the Spanish coast between the border with Portugal and the border with France, 743 beaches have been affected to a greater or lesser degree.

1.2 *Fisheries, aquaculture and shellfish*

The fishing and seafood sectors have completely returned to normal with the exception of the prohibition in the País Vasco of gathering mussels, a prohibition that has minor consequences.

1.3 *Tourism*

Although there is no detailed study of the evolution of this sector since the beginning of the incident, it seems that the impact has been moderate.

2 Clean-up operations

2.1 *Offshore clean-up*

2.1.1 The work of monitoring with the administration's existing means is continuing. However, it has been impossible to collect anything from the sea with the means available since the end of December.

2.1.2 The antipollution booms have been taken away. Nonetheless, there are 47 172 metres of booms stored for use if necessary.

2.1.3 The total amount of fuel gathered from the sea off the Spanish coasts is more than 52 500 cubic metres.

2.2 *Clean-up on land*

2.2.1 Currently, there is a mechanism for monitoring, cleaning up and environmental restoration formed by 650 persons spread out along the affected coast.

2.2.2 As of the present, clean-up and restoration have involved more than 1 200 000 man-days of work.

2.2.3 More than 1 250 000 square metres of affected rocky surface have been cleaned using pressurized water. It is hoped that a new review of the situation will be carried out once the winter storms are over.

2.2.4 After taking more than 6800 samples along the affected beaches, all layers of detected fuel have been removed. Nonetheless, there is a monitoring mechanism in place to detect and remove any buried layers that are uncovered by storms.

2.2.5 The total amount of waste collected on the coast is now 89 000 metric tonnes.

3 **Neutralization of the hull**

In October, tests for extracting fuel from the hull using buoys were successfully carried out, and one buoy removed 125 tonnes of fuel oil from the hull.

After carrying out tests, studying the results and completing the rest of the work, Repsol YPF presented its conclusions to the Government in December and recommended the solution of extracting the liquid fuel using rigid buoys accompanied by bio-degradation of any solid fuel remaining in the sealed hull. The estimated total cost using this solution, including work already carried out, is €9.3 million, and the Council of Ministers decided that the contract for carrying out extraction of the fuel would be completed through the Ministries for Science and Technology and Development (through SASEMAR) within a budget of €9.3 million. This contract has already been signed. It is planned to extract fuel between May and October of this year.

4 **Economic consequences**

4.1 On 2 October, the Government of Spain presented a claim for damages to the IOPC Fund Claims Handling Office at La Coruña in the amount of €355 668 288.05 for compensation for additional costs and €28 064 648.02 for compensation of fixed costs. This claim which has 3 691 pages of documentation and covers most of the damage caused to the Spanish government as of 1 August.

4.2 On 21 January 2004, the Government of Spain submitted Claim no. 2 for damages to the IOPC Fund Claims Handling Office at La Coruña in the amount of €2 571 525.03 for compensation for additional costs and €1 993 186.16 for fixed costs. This claim, which has 2 560 pages of documentation, covers part of the damages caused to the Government of Spain during August and September 2003 and expenses before 1 August not included in Claim no. 1.

4.3 Within a few weeks, Claim no. 3 will be presented, which will include expenses incurred in October, November and December 2003, as well as other earlier expenses prior to 1 October that have not been included in the two earlier claims.

4.4 With regard to the estimate of the economic consequences of the *Prestige* incident that was presented to the most recent meeting of the Executive Committee in October, an initial estimate based on the estimated budget for neutralization of the hull has been made, which currently is estimated to be €9.3 million. The rest of the figures are still valid as an approximate estimate. Thus, total estimated damages will be more than €34 million.

Economic Consequences in Spain (in millions of euros)

Public administrations	Offshore clean-up	183.6
	Clean-up on land and environmental restoration	314.7
	Neutralization of the hull	99.3
	Assistance	128.8
	Miscellaneous	8.4
Private claims		100.0
Total		834.8

5 Interim payment of compensation to claimants

- 5.1 On 20 June 2003, the Government adopted royal decree-law 4/2003 regulating payment procedures for compensation for damage caused by the accident of the tanker *Prestige*. Under that decision, the Government of Spain offers victims of the incident the possibility of signing an agreement for receiving the full amount of compensation, subrogating any rights or actions that could correspond to those signing the agreement to the central administration.
- 5.2 The deadline for submission of requests for application of the special recourse of interim compensation covered by royal decree-law 4/2003 ended on 31 December.

The special recourse to interim payment of compensation under the royal decree-law provides for two types of claims:

- (a) Claims for damages by **objective estimate**, applicable only for loss of benefits for those that have received assistance from the central and autonomous administrations. The following categories have received assistance:

Shipowners
 Crewmembers
 Shellfish producers
 Net makers and repairers
 Guild and market workers
 Wholesalers.

There are about 24 000 claimants in all categories in the four affected autonomous communities.

- (b) Claims for damages by **direct estimate** that are applicable to the rest of damages and claimants; for example the hotel business, ice factories, fish transport companies and repair shops.

Out of the 23 200 claimants subject to the objective estimate, some 22 800 have presented requests for opting for the special recourse provided for in the royal decree-law.

About 5000 requests have been received for use of the direct estimate.

The first agreements were signed on Wednesday 18 February, with claimants that had received assistance: shipowners, crewmembers, shellfish producers, net repairers and workers in the guilds and markets. The first agreements cover a total of 11 752 claimants, which represents 50.65 per cent of the total number of claimants electing the objective estimate. The total amount of interim compensation paid to this category of claimants is €4 884 728.98.

There is a provision in these agreements that payments be made within 10 days from the time the Treasury approves the payment, which occurred the following day on 19 February. As a result, those claimants will be paid before 29 February.

Rapid compensation of the claimants has been possible thanks to the interim payment made by the IOPC Fund in December in accordance with what was agreed during the Assembly in October.

The signing of other agreements will continue during the next few weeks. At any rate, it is guaranteed that the full amount advanced by the IOPC Fund will be used exclusively for compensating private claimants and that the government of Spain will use the full amount of the funds received from the IOPC Fund for payment to claimants other than the government itself.
