



## INCIDENTS INVOLVING THE 1992 FUND

### PRESTIGE

#### Submitted by the delegations of Spain and France

<b>Summary:</b>	This document brings to the Committee's attention the urgent need to improve the level of payments.
<b>Action to be taken:</b>	See paragraph 10.

- 1 The delegations of Spain and France, the countries mainly affected by the pollution from the *Prestige*, have held consultation meetings on the handling of the *Prestige* case in order to explore the possibilities of improving the settlement of claims.
- 2 They find that the compensation level of 15% decided at the 21st session of the Executive Committee, held in May 2003, leaves the victims in an unsatisfactory situation.
- 3 For its part, the Spanish administration, as a result of the arrangement put in place to compensate victims, is directly affected by the low level of payments at a time when it has incurred very considerable expenditure to combat the effects of the incident and provide compensation to the victims. As a result of the legislative measures adopted, the Spanish authorities have avoided a situation that would have obliged most of the many victims to turn to the IOPC Funds for compensation, since the Spanish Government stepped in at that point with the payment of an advance on the compensation to which they were entitled.
- 4 In France, the announcement of the 15% level, the lowest in the history of the 1971 and 1992 Funds, triggered reactions of incomprehension and hostility towards the international system. Despite the losses observed, as previously reported to the Committee, the small number of claims submitted can be explained by the fact that, for many businesses, a 15% compensation level does not cover the extra cost of submitting a claim for compensation and the time spent answering subsequent queries from the experts.
- 5 Both governments consider that increasing the compensation level should be a priority for the Fund for the coming year, particularly with the approaching three-year time bar on claims.
- 6 In order to enable the victims who have not yet done so to submit a claim in time, it is evidently necessary to send them a clear message so that they can judge, by reference to the financial loss they consider they have suffered and to what may be recovered, whether or not to take legal action before November 2005.

- 7 The claimants should be made aware as soon as possible of the possibility to be compensated, for it would be particularly damaging for the image of the Fund if any significant increases in the level of payments were to be decided after the expiry of the time bar period, leaving a number of victims without any possibility of taking appropriate action.
- 8 Both delegations therefore urge the Fund to take all necessary steps for the expeditious handling of the claims received, and which represent a significant proportion of the estimated losses, in order to be able to determine realistically the possibility of increasing the level of compensation payments at the next session of this Committee.
- 9 To this end, they renew their undertaking to provide the Fund's experts with such explanations as they may need.

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

- 10 The Executive Committee is invited to express its opinion on this matter, taking into account the time bar that will take effect as from 13 November 2005.
-