



## INCIDENTS INVOLVING THE 1992 FUND

### SHOSEI MARU

#### Note by the Director

<b>Summary:</b>	<p>The Japanese tanker <i>Shosei Maru</i> (153 GT) collided with the Korean cargo vessel <i>Trust Busan</i> (4 690 GT) two kilometres off Teshima, in the Seto Inland Sea in Japan. About 60 tonnes of heavy fuel oil and bunker diesel oil escaped into the sea from the <i>Shosei Maru</i>.</p> <p>Claims are expected for at-sea and on-shore clean-up operations, cleaning of ships' hulls and damages to seaweed cultivations. The estimated claimed amount for damages arising out of this incident is expected to exceed the limitation amount applicable to the <i>Shosei Maru</i> under the 1992 Civil Liability Convention, ie 4.51 million SDR (£3.5 million)<sup>&lt;1&gt;</sup>.</p> <p>The ship is not entered with STOPIA 2006.</p> <p>The Fund has invoked the Memorandum of Understanding with the insurer of the <i>Shosei Maru</i>, the Japan Ship Owners' Mutual Protection and Indemnity Association (Japan P&amp;I Club).</p>
<b>Action to be taken:</b>	<p>Authorise the Director to make settlements of claims arising from the incident to the extent that they do not give rise to questions of principle not previously considered by the Committee.</p>

### 1 The incident

- 1.1 On 28 November 2006, the Japanese tanker *Shosei Maru* (153 GT) collided with the Korean cargo vessel *Trust Busan* (4 690 GT) two kilometres off Teshima, in the Seto Inland Sea in Japan. About 60 tonnes of heavy fuel oil and bunker diesel oil escaped into the sea from a damaged cargo tank and the bunker oil tank of the *Shosei Maru*. The remaining oil onboard was transferred to another vessel. The *Shosei Maru* was subsequently towed to the port of Tonosho in Shodoshima.
- 1.2 The *Shosei Maru* is ensured with the Japan Ship Owners' Mutual Protection and Indemnity Association (Japan P&I Club).

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<1> Conversion of currencies in this document has been made on the basis of exchange rates as at 14 February 2007.

- 1.3 The 1992 Fund and the Japan P&I Club appointed a team of Japanese surveyors to monitor the clean-up operations and investigate the potential impact of the pollution on fisheries and mariculture.

## **2 Clean-up operations**

- 2.1 The owner of the *Shosei Maru* requested the Japanese Maritime Disaster Prevention Centre to organise clean-up operations by using a number of private contractors. The Kagawa Prefectural government and several local authorities also participated in the operations. One vessel was deployed to apply chemical dispersants on the oil in the water.
- 2.2 On-shore clean-up operations were carried out in four locations in the Kagawa Prefecture. Private contractors were appointed by the shipowner to undertake shoreline clean-up operations using predominantly manual methods to remove bulk oil, followed by high-pressure water washing to remove oil stains. Several oil-stained piers, wharves and seawalls were cleaned by means of high-pressure hot water guns using chemical solvents. The clean-up operations were concluded by 31 January 2007.

## **3 Impact of the spill**

Approximately five kilometres of shoreline composed of rocks, boulders and pebbles, as well as port installations, were polluted to varying degrees. Drifting oil at sea contaminated the hulls of a number of commercial and fishing vessels, including those engaged in the clean-up operations. The oil also affected a number of seaweed cultivation farms as it passed through the supporting structures, contaminating buoys, ropes, nets and the seaweed growing on the nets, which had to be replaced and destroyed.

## **4 Applicability of the 1992 Conventions and STOPIA 2006**

- 4.1 The limitation amount applicable to the *Shosei Maru* under the 1992 Civil Liability Convention (CLC) is 4.51 million SDR or ¥820 million (£3.4 million).
- 4.2 The Japan P&I Club informed the 1992 Fund that since the vessel was only engaged in coastal trade, it was not insured through the pooling arrangements of the International Group of P&I Clubs. The Japan Club further informed the Fund that the owner of the *Shosei Maru* had not given its written consent for the vessel to be entered into the STOPIA 2006 and the ship was not entered into the STOPIA Agreement. As a consequence, if the total amount of damages were to exceed the 1992 CLC, the Fund would therefore be liable to pay the difference between the total assessed amount and the CLC limit.

## **5 Claims for compensation**

- 5.1 The clean-up operations and preventive measures will result in claims by the Japanese Government, regional and local authorities. Claims are also expected for costs for cleaning of hulls of commercial and fishing vessels moored in the ports of Tonosho and Kose. Claims will be submitted for the replacement of seaweed cultivating nets affected by the oil and for loss of earnings due to damaged seaweed.
- 5.2 The claims in respect of clean-up operations and preventive measures are provisionally estimated by the Fund's and the Club's surveyors to total some ¥640 million (£2.7 million). Total claims in respect of costs for cleaning of hulls of commercial and fishing vessels are provisionally estimated by the Fund's and the Club's surveyors at some ¥30 million (£130 000). Claims for the replacement of seaweed nets and loss of earnings are expected to total some ¥400 million (£1.7 million).
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5.3 The total amount of admissible claims may exceed the limitation amount applicable to the *Shosei Maru* under the 1992 Civil Liability Convention. It is possible therefore that the 1992 Fund will be required to pay compensation in respect of this incident. The Executive Committee may therefore wish to authorise the Director to make settlements of claims arising from the incident to the extent that they do not give rise to questions of principle not previously considered by the Committee.

**6 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 authorise the Director to make settlements of claims arising from the incident to the extent that they do not give rise to questions of principle not previously considered by the Committee; and
  - (c) to give such instructions in respect of this incident as it may deem appropriate.
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