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INCIDENTS INVOLVING THE IOPC FUND

HAVEN

Note by the Director

1 Introduction

The Director would like to make further observations on two claims arising out of the HAVEN incident, viz the claims presented by the Region of Liguria and by a tourist agent. The Executive Committee is also given information on two further claims relating to cost of tourism promotion.

2 Cost of Promotion of Tourism: Region of Liguria

2.1 The IOPC Fund's experts have examined further the documents submitted by the Region of Liguria in support of its claim in respect of the cost of tourism promotion (document FUND/EXC.35/3/Add.1, paragraph 2). This examination has given rise to the following observations.

2.2 The claim relates to payments made by the Region of Liguria to tourist offices in the region for unspecified promotional costs as follows:

	<u>Lit</u>
Savona	103 000 000
Arenzano	110 000 000
Sassello	10 000 000
Santo Stefano d'Aveto	10 000 000
Torriglia	4 000 000
Rapallo	95 000 000
La Spezia	75 000 000
Imperia	85 000 000
	<u>Lit 492 000 000</u>
	(£220 000)

2.3 The tourist office in Spotorno received Lit 70 000 000 (£31 400) to pay for visits by foreign journalists and for advertising in the Italian and foreign press. An amount of Lit 60 000 000 (£26 900) was paid to the tourist office of Lavagna for promotional activities in favour of tour operators, travel agencies, shops and hotels.

2.4 In addition, the Region has made payments totalling Lit 69 546 857 (£31 400) to the Union of the Ligurian Chambers of Commerce to finance a press campaign in Italy, Germany and Switzerland.

2.5 An amount of Lit 71 400 000 (£32 020) was paid to the newspaper "Il Giornale", a newspaper in Milan, for advertising for Ligurian tourism. Lit 34 572 310 (£15 500) was paid to a publicity company in Genoa for posters promoting tourism in the Ligurian area.

2.6 In Resolutions of 21 May and 17 July 1991, the Region stated that it had decided to intervene for the purpose of improving the tourist image of Liguria which was heavily threatened by the press campaign emphasising the danger of environmental damage caused by the HAVEN incident to the Ligurian Sea and the coast of the Western Riviera. The Resolutions only refer to the Western Riviera whereas payments have also been made to tourist offices in the Eastern Riviera.

2.7 As for Rapallo, Lavagna and La Spezia, these towns are located east of Genoa and were not affected by oil from the HAVEN. Sassello is located in the hills some 20 kilometres inland from Savona. Torriglia is located some 30 kilometres from the sea. Santo Stefano d'Aveto, which is situated in the mountains one hour's drive from the sea on the Eastern Riviera, is a ski resort.

2.8 The only provinces affected by the spill from the HAVEN which received payments from the Region were Savona and Imperia. It should be noted that there was very little contamination in Imperia.

2.9 In view of the facts set out above, the Director considers that the amounts paid to the tourist offices in Rapallo, Lavagna, La Spezia, Sassello, Torriglia and Santo Stefano d'Aveto could not be considered as costs of preventive measures. These claims should therefore, in his view, be rejected. As for the amounts paid to the tourist offices in Arenzano, Savona and Imperia, these places are located in the area affected by the oil from the HAVEN. It would be for the Executive Committee to decide whether these payments could be considered as costs of preventive measures. The Committee is also invited to consider whether the amounts paid to the Union of the Ligurian Chamber of Commerce, the newspaper "Il Giornale" and the publicity company in Genoa should be considered as costs of preventive measures.

3 Loss Suffered by a Travel Agent

3.1 A claim submitted by a travel agent (document FUND/EXC.35/3, paragraph 3.3) comprised an item relating to the cost of an extra advertising campaign in the amount of Lit 17 million (£7 620).

3.2 It has been indicated that the annual turnover of the business in question is around Lit 50 000 million (£22 million). It appears therefore that an advertising campaign for the amount claimed would not have any effect on the alleged negative impact of the HAVEN incident on the claimant's business. Leaving aside the question whether the costs of an advertising campaign of this kind are in principle admissible, the Director considers that this claim should be rejected.

4 Cost of Promotion of Tourism: Municipality of Diano Marina

4.1 Diano Marina, which is a town some 90 kilometres west of Genoa, has claimed compensation for an amount of Lit 20 000 000 (£8 970) paid to a local body formed by businesses involved in tourism. The amount was paid as a contribution to financing a mass media campaign to promote the image of the town which had already been carried out by the body before the payment was granted. It is not known when the campaign was in fact carried out. The payment was made pursuant to a resolution by the Municipality council dated 19 March 1993, which did not contain any reference to the HAVEN incident.

4.2 In the view of the Director, it has not been shown that the expenses covered by this claim are linked to the HAVEN incident. The Director considers therefore that the claim should be rejected already on that ground, leaving aside the question of whether activities of the kind covered by the claim would in principle fall within the definition of "preventive measures".

5 Cost of Promotion of Tourism: Province of Savona

5.1 The Province of Savona granted Lit 50 000 000 (£22 420) to the tourist office in the Province for a tourist promotion campaign on the television. It appears that also the Municipalities of Loano and Pietra Ligure, the Region of Liguria and other unknown bodies in the Region joined this campaign.

5.2 The total cost of the campaign has been indicated at Lit 238 000 000, out of which Lit 50 000 000 was paid by the Province of Savona. It is likely that the balance was paid by the other entities mentioned above.

5.3 In the view of the Director, it has not been shown that the activities covered by the claim had contributed to counteracting the negative effects on tourism of the publicity resulting from the HAVEN incident. The Director considers therefore that this claim should be rejected, leaving aside the question of whether activities of the kind covered by the claim would in principle fall within the definition of "preventive measures".

6 Action to be Taken by the Executive Committee

The Executive Committee is invited to:

- (a) take note of the information contained in this document; and
 - (b) give the Director such instructions as it may deem appropriate in respect of claims relating to:
 - (i) cost of promotion of tourism: Region of Liguria (paragraph 2);
 - (ii) losses suffered by travel agent (paragraph 3).
 - (iii) cost of promotion of tourism: Municipality of Diano Marina (paragraph 4); and
 - (iv) cost of promotion of tourism: Province of Savona (paragraph 5).
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