

INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUND

EXECUTIVE COMMITTEE  
38th session  
Agenda item 3

FUND/EXC.38/8  
20 January 1994

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## INCIDENTS INVOLVING THE IOPC FUND

### ILIAD

Note by the Director

#### 1 The Incident

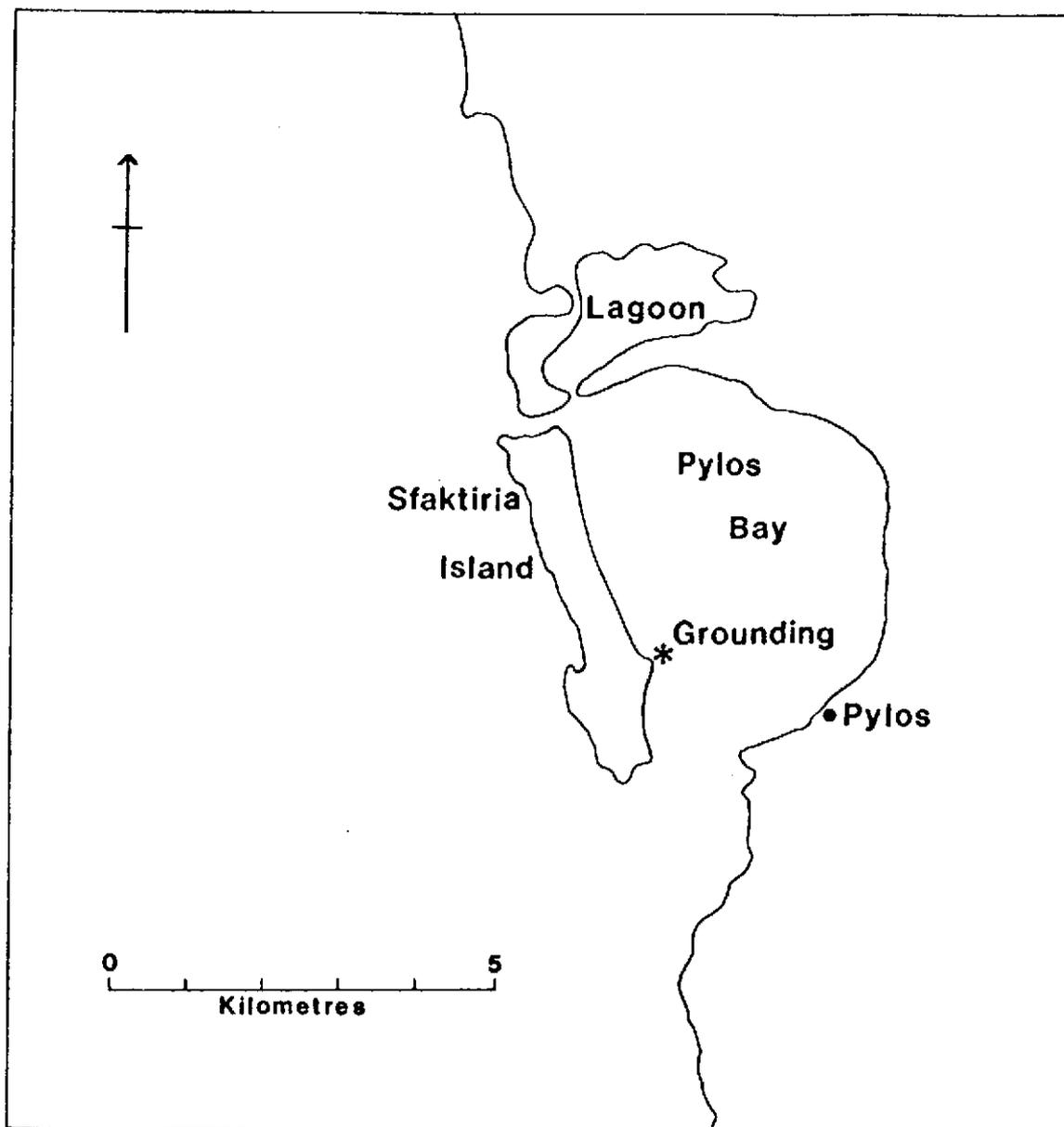
1.1 On 9 October 1993, the Greek tanker ILIAD (33 837 GRT) grounded on rocks close to Sfaktiria Island whilst leaving the port of Pylos (Greece). The ILIAD was carrying a cargo of about 80 000 tonnes of Syrian crude, and some 300 tonnes were spilled. The spill was soon brought under control and the vessel left the port, anchoring offshore to await inspection and temporary repairs.

#### 2 Clean-up Operations

2.1 Calm seas and light winds resulted in much of the spilled oil remaining within Pylos Bay, although some patches drifted out through the northern and southern approaches to the bay and then southwards along the coast and then to the open sea.

2.2 Shoreline oiling around Pylos Bay was widespread, but most of the sandy beaches were soon cleaned by local labour. Temporary stockpiles of bagged oily wastes accumulated around the bay. A specialist contractor was mobilised from Piraeus for the clean-up of floating oil in the bay, using two skimmers assisted by a number of fishing boats. The recovered oil was stored in a barge at Pylos.

2.3 A fish farm, rearing sea bass and sea bream in floating cages in the north-western corner of Pylos Bay, was contaminated by oil before defensive booms could be deployed. The oiling was relatively light and only a few fish died as a result. The farm, which was subsequently protected by booms, was cleaned manually. A shallow lagoon, also used for mariculture, was lightly oiled as tidal streams carried small slicks in through a narrow entrance. The mouth of the lagoon was protected by booms and oil residues already inside were cleaned manually.



2.4 Outside the bay, relatively minor oiling of shorelines was observed. Most of the oil broke up, evaporated and dispersed naturally in the Aegean Sea over a period of approximately ten days. The sandy beaches north of the entrance to Pylos Bay on the outer coast became oiled and were cleaned manually. Some patches of oil drifted some ten kilometres to the south of Pylos, but caused only very minor coastal contamination.

2.5 By 22 October only minor sheens and traces of oil residues remained on the water surface, and the recovery at sea was terminated. The removal of oil from sandy beaches was also completed. A month later the cleaning of sea-walls and selected areas of rocky shoreline in Pylos Bay had been completed.

2.6 Although floating oil caused interruption to the fishing activities in Pylos Bay and along the coast for about two weeks, it is unlikely that there will be any long lasting effects to wild fish stocks. The fish farm at Pylos lost a small part its stock and it appears that the farm's normal selling pattern was interrupted. The stock is being tested to assess whether there is any residual contamination.

### **3 Claims for Compensation**

3.1 A number of lawyers have submitted documents in support of claims from individuals and a range of small businesses, such as hoteliers, restaurateurs and fishermen, as well as taxi drivers, shopkeepers, estate agents and hairdressers. The total value of the claims presented amount to approximately Drs3 690 million (£10 million).

3.2 The supporting documents are being examined by lawyers and technical experts appointed by the shipowner, the P & I insurer (the Newcastle Protection & Indemnity Association, the "Newcastle Club") and the IOPC Fund.

3.3 A number of these claims include an element for the loss of future income. Article 298 of the Greek Civil Code provides that compensation includes "loss of profit expected to be probably made, according to the ordinary course of events or according to the particular circumstances and the preparatory measures taken". Some claimants have indicated that they believe that their businesses will be adversely affected for the next three years.

3.4 The shipowner has submitted a claim amounting to Drs710 million (£1.9 million) for costs incurred during the clean-up operations.

### **4 Limitation Proceedings**

4.1 The shipowner has not yet commenced limitation proceedings.

4.2 The Newcastle Club has provided security to a number of claimants in the form of a Club letter of undertaking in the amount of US\$5.8 million (£3.9 million). Under the terms of the guarantee, the Club undertook to establish the limitation fund within 60 days of the date of the incident. The time period has been extended by agreement between the parties and the limitation fund has not yet been established.

4.3 The limitation amount is estimated at US\$5.8 million (£3.9 million).

### **5 Investigations into the Cause of the Incident**

The Director has contacted the Marine Environment Protection Division of the Greek Ministry of Merchant Marine which is understood to be investigating the cause of the incident.

### **6 Action to be Taken by the Executive Committee**

The Executive Committee is invited to:

- (a) take note of the information contained in the present document; and
  - (b) give the Director such instructions as it may deem appropriate concerning the handling of the claims arising out of this incident.
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