



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

EXECUTIVE COMMITTEE
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Agenda item 3

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INCIDENTS INVOLVING THE IOPC FUND

YUIL N°1

Note by the Director

1 The incident

1.1 On 21 September 1995, the Korean coastal tanker *Yuil N°1* (1 591 GRT), carrying approximately 2 870 tonnes of heavy fuel oil, ran aground on the island of Namhyeongjedo off Pusan (Republic of Korea). The tanker was refloated some six hours after the grounding by two tugs from the Port Authority and the navy. While being towed towards the port of Pusan, the tanker sank in 70 metres of water, 10 kilometres from the mainland.

1.2 One cargo tank was reported to have been breached as a result of the grounding. Apart from the initial release of oil following the grounding and sinking, small quantities of oil are still leaking from the wreck from time to time.

1.3 Shorelines on the east and north coast of Keoje Island, on the west coast of Kadokto and immediately to the east and west of the mainland at Pusan, as well as a number of smaller islands were oiled as a result of the initial spill. Some re-oiling of shorelines west of Pusan also occurred following later small releases of oil from the wreck.

1.4 The *Yuil N°1* is entered with the Standard Steamship Owners' Protection & Indemnity Association (Bermuda) Ltd (the "Standard Club").

1.5 The shipowner, the Standard Club and the IOPC Fund engaged Korea Marine & Oil Pollution Surveyors Co Ltd (KOMOS) and the International Tanker Owners Pollution Federation Ltd (ITOPF) to act as their surveyors. One of ITOPF's technical experts left London for Korea in the afternoon of 21 September and arrived at the site of the incident the following day.

2 Clean-up operations and related issues

2.1 Initially, the clean-up operations at sea were carried out by two skimmers and a number of fishing vessels deploying sorbent pads. The Marine Police also used ships for spraying dispersants. The operations at sea were reduced, however, when it became apparent that the oil leaking from the wreck did not constitute a serious threat to coastal resources. Booms were then deployed in some coastal areas to protect laver seaweed farms.

2.2 The on-shore clean-up was carried out by a number of contractors, with the assistance of some 1 750 local villagers. It is expected that the clean-up operations will be completed by mid October in some areas. In more heavily polluted areas the on-shore clean-up may not be terminated until the end of November.

2.3 The Marine Police has issued an order to the shipowner to plug any holes in the wreck and to remove the remaining cargo and the wreck itself. However, the experts consulted by the Standard Club and the IOPC Fund consider that it would be very difficult, if not impossible, to remove the wreck, due to the difficult weather conditions during the coming four months. The experts also maintain that it would not be possible to remove the cargo due to the low water temperatures and the strong currents.

2.4 The shipowner has employed a specialist British company to conduct a survey of the wreck by a remote operated vehicle to establish the condition of the wreck. The results of this survey should make it possible to assess what measures can be taken to prevent further escape of oil from the wreck.

3 Claims for compensation

3.1 Claims have been received from various contractors for the cost of clean-up operations. Further claims for significant amounts are expected.

3.2 The oil has affected areas where there is intensive fishing and mariculture. KOMOS and ITOPF have carried out surveys of some stretches of shoreline and mariculture facilities which have allegedly been affected by the oil. Further surveys are planned.

3.3 It is expected that claims for significant amounts will be presented by fishermen exploiting the Class I co-operative fishery grounds and arkshell farms, by operators of various set nets and mariculture facilities, by fishing boat owners for the suspension of fishing activities and by operators of sea-bed farms and laver cultivation areas. It is possible that claims will be presented by the owners of sea food restaurants.

3.4 Any measures taken to prevent further oil leakage from the wreck may also give rise to claims for considerable amounts.

3.5 The Director submits to the Executive Committee for consideration whether the Committee might be prepared to authorise him to make final settlement of all claims arising out of the *Yuil N°1* incident, except to the extent that these claims give rise to questions of principle which have not yet been decided by the Committee.

4 Limitation proceedings

4.1 The shipowner has not yet started limitation proceedings.

4.2 The limitation amount applicable to the *Yuil N°1* is estimated at Won244 million (£202 300).

5 **Investigation into the cause of the incident**

The Korean authorities are carrying out an investigation into the cause of the incident. The Director is following this investigation through the IOPC Fund's Korean lawyers.

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;
 - (b) give the Director such instructions as it may deem appropriate in respect of the handling of the claims arising out of this incident; and
 - (c) authorise the Director to settle the claims arising out of this incident to the extent that the Committee deems appropriate.
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