



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1971

EXECUTIVE COMMITTEE
53rd session
Agenda item 3

71FUND/EXC.53/8
11 April 1997

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INCIDENTS INVOLVING THE 1971 FUND

OSUNG N°3

Note by the Director

1 The incident

1.1 The tanker *Osung N°3* (786 GRT), registered in the Republic of Korea, ran aground on the island of Tunggado, just south of the island of Kojedo in the Pusan area (Republic of Korea) on 3 April 1997 and sank at a depth of 70 metres. The vessel was carrying about 1 700 tonnes of heavy fuel oil. Oil was spilled immediately, but it has not been possible to assess the quantity spilt or the quantity remaining on board.

1.2 The combination of northerly winds, tidal streams and coastal currents spread the spilt oil in a south-westerly direction. Rain, fog and overcast weather conditions prevented any aerial surveillance until 6 April 1997. Extensive areas of silver oily sheens, together with broken streaks and patches of brown oil, were found over about 15 km² of sea surface around the grounding location. The oil in this area was estimated at between 50 and 200 tonnes. Small but decreasing quantities of oil continued to leak from the sunken vessel, and by 9 April 1997 only faint traces of sheen were coming to the surface.

1.3 The Korean Marine Police, assisted by local authorities and clean-up contractors appointed by the shipowner, organised and carried out clean-up operations at sea. Some 100 vessels have been employed in dispersant spraying, skimming and the manual removal of oil using sorbent pads.

1.4 Although shorelines on small islands close to the grounding location have been oiled, there were no reports of mainland shores having been oiled by 9 April 1997.

1.5 The 1971 Fund has appointed Korea Marine & Oil Pollution Surveyors Ltd (KOMOS) to act as the Fund's experts, together with staff from the International Tanker Owners Pollution Federation Ltd (ITOPF).

1.6 The Korean authorities plan to carry out an underwater inspection of the sunken vessel on 11 April 1997, using a remotely operated underwater vehicle. The 1971 Fund is following this inspection through a technical expert from Murray Fenton & Associates Ltd.

1.7 Oil which may have originated from the *Osung N°3* has reached the sea adjacent to Tsushima Island in Japan. The Japan Maritime Safety Agency has deployed a number of vessels to combat the oil. The 1971 Fund's Japanese surveyor is monitoring the operations.

2 Impact on fisheries

2.1 Traditional fishery and intensive aquaculture are carried out throughout the area. Important fisheries are the common fishing grounds, coastal set-net fisheries and an extensive mariculture industry.

2.2 So far there have been no reports of damage to fisheries.

3 Claims for compensation

3.1 Claims for clean-up costs will be submitted by the Korean authorities and clean-up contractors. There are no indications at this stage of claims from the fishery and mariculture sectors.

3.2 It is not possible to make any estimate of the cost of the clean-up operations carried out so far. It is also impossible to assess the cost of combatting further releases from the wreck, if any. Another important factor is the outcome of the inspection of the wreck to be carried out by the Korean authorities and any decision taken by the authorities as a result thereof, for example any attempts to remove the remaining oil from the sunken ship.

3.3 The *Osung N°3* was not entered in any P & I Club, but was insured by a commercial insurer in London for protection and indemnity up to a limit of US\$1 million (£600 000) per incident.

3.4 The limitation amount applicable to the vessel is estimated at 104 500 SDR (£88 000).

3.5 The Executive Committee may wish to consider whether, and, if so, to what extent, it is prepared to authorise the Director to make final settlements of claims arising out of this incident on behalf of the 1971 Fund. In several recent cases, the Director has been given such authority, to the extent that the claims do not give rise to questions of principle which have not previously been decided by the Committee.

3.6 The Committee may also wish to consider whether and, if so, to what extent the Director should be authorised to make payments.

4 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 give the Director such instructions in respect of the handling of this incident and of claims arising therefrom as it may deem appropriate;
 - (c) to decide whether to authorise the Director to make final settlements of claims; and
 - (d) to decide whether to authorise the Director to make payments.
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