



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1971

EXECUTIVE COMMITTEE
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Agenda item 3

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INCIDENTS INVOLVING THE 1971 FUND

PONTOON N°300

Note by the Director

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| Summary: | Progress has been made in the clean-up operations. Some claims for the cost of these operations have been presented. |
| Action to be taken: | Decide on the level of the 1971 Fund's payments. |

1 **The incident**

1.1 On 7 January 1998, intermediate fuel oil was spilled from the barge *Pontoon N°300* (4 233 GRT), which was being towed by the tug *Falcon 1* off Hamriyah in Sharjah, United Arab Emirates. The barge had reportedly become swamped during high seas and strong north-westerly winds and had taken on water whilst losing oil. During the course of the night of 8 January, the barge sank and settled on the seabed at a depth of 21 metres, six nautical miles off Hamriyah.

1.2 The *Pontoon N°300* was registered in Saint Vincent and the Grenadines and was owned by a Liberian Company. The tug *Falcon 1* is registered in Abu Dhabi and owned by a citizen of that Emirate.

1.3 The *Pontoon N°300* is a flat-top barge of 4 233 gross tons and 9 885 tons loaded displacement. The deadweight tonnage for the *Pontoon N°300* is 8 037 tons. The barge is constructed with 24 buoyancy tanks in six rows of four tanks each, and a double centre bulkhead. Divers have also reported signs of diesel oil having been loaded in fore and aft ballast tanks in the barge.

1.4 At its 57th session, the Executive Committee considered whether the *Pontoon N°300* fell within the definition of 'ship' laid down in Article I.1 of the 1969 Civil Liability Convention, ie "any seagoing vessel and any seaborne craft of any type whatsoever, actually carrying oil in bulk as cargo". The Committee took the view that it was the factual situation which was of primary importance, and noted

that it had been established that the barge was actually transporting oil in bulk as cargo from one place to another. The Committee decided that the *Pontoon N°300* fell within the definition of 'ship' in the 1969 Civil Liability Convention (document 71FUND/EXC.57/15, paragraph 3.11.4).

1.5 A number of delegations observed that the circumstances of the case (such as the apparent absence of an insurance certificate and the use of buoyancy tanks for cargo) merited close scrutiny, with a view to possible recourse action. It was stressed, however, that the 1971 Fund's priority should be the payment of compensation to claimants, and that questions of recourse should be considered separately.

2 Attempts to raise the sunken barge

2.1 Divers employed by a local salvage contractor, Whitesea Shipping & Supply Co (WSS), surveyed the sunken *Pontoon N°300* on 8 January 1998 and reported that eight of the portside tank covers were missing, indicating that at least 3 000 - 4 000 tonnes of intermediate fuel oil had escaped. The other tank covers were reported to be sound and tight, but oil continued to leak from vent pipes and from cracks and holes in the deck plating. During the following week further work was carried out by the divers to plug and seal the various points of seepage. In the afternoon of 9 January there was a sudden release of about 300 tonnes of intermediate fuel oil when a tank cover broke free after divers had been plugging remaining leaks from cracks and holes. The divers later discovered that most of the tanks on the barge were interconnected, making it more difficult to estimate the total quantity of oil which had been spilled.

2.2 WSS had been appointed by the Sharjah Ports Authority on 8 January to inspect the sinking barge and to plug the worst leaks at a fixed price of US\$20 000 (£12 000). On completion of this phase the Federal Government of the United Arab Emirates appointed WSS as salvor to remove oil from the tanks and raise the sunken barge for a lump sum of Drhs 2 million (£330 000)

2.3 Contingency measures in case of further oil spillage during salvage were agreed between the Federal Environment Agency (FEA), the Frontier and Coast Guard Service (FCGS) and WSS. For the refloating attempt, FEA engaged a local contractor (Fairdeal) to provide a Russian-built self-propelled skimmer with dispersant spraying capability. Personnel from the Abu Dhabi National Oil Company (ADNOC) were on hand to spray dispersant from a helicopter, but these resources were withdrawn on 27 January due to a lack of Government funding.

2.4 An attempt to raise the barge in the evening of 20 January ended in failure and the barge sank for a second time. A small quantity of oil was spilled. A second salvage attempt was made on 21 January, but this attempt was also unsuccessful and the barge sank for a third time. During the course of the night a substantial quantity of oil was spilled, possibly as much as 100 tonnes. Further attempts were made to raise the barge during the following week but these attempts were also unsuccessful. The barge was finally lifted on 4 February 1998, and during the morning of 6 February was towed into the port of Hamriya.

3 Clean-up operations

3.1 The spilt oil spread over 40 kilometres of coastline, affecting four Emirates, namely Sharjah, Ajman, Umm Al Quwain and Ras Al Khaymah. The worst affected Emirate was Umm Al Quwain, where there is a beach hotel and a fishing harbour at Al Naqaa.

3.2 For the first six days after the initial spill oil drifted off the coast. On 13 January strong onshore winds drove the drifting oil ashore and deposited it on sandy beaches and in the adjoining vegetation. The only oil remaining offshore was the small continuous release from the sunken wreck.

3.3 Intermediate fuel oil is naturally dispersible, and natural dispersion in the surf zone significantly reduced the quantity of oil deposited on the shorelines.

3.4 Initially, very little was done to deal with the spilled oil and there was uncertainty as to who was in charge. At a meeting on 9 January 1998 chaired by the Minister of Health, in his capacity as Chairman of FEA, it was clarified that FEA was to co-ordinate spill response activity, with support from FCGS and municipal authorities. However, co-ordination and control of clean-up activity by FEA was hampered by a lack of resources and funding. Onshore clean-up operations were carried out by ADNOC, the Dubai Petroleum Company, Lamnalco (a local contractor) and Fairdeal under the co-ordination of FEA. Collected oily waste was transported to an inland disposal site. All shoreline clean-up operations were suspended on 24 January, when government funds allocated for the task had been exhausted.

3.5 After a standstill of seven weeks, beach cleaning was resumed on 12 March 1998 with a labour force of 100 men provided by Lamnalco. Six different clean-up sites have been identified and the work is expected to be completed in May 1998. The FEA is monitoring the work and inspecting the cleaned sites. The local surveyor appointed by the 1971 Fund is closely following the work.

4 Affected resources

4.1 Marine resources research centre

4.1.1 A marine resources research centre located at Umm al Quwain, run by the Ministry of Agriculture and Fisheries, cultivates commercially important species of fish and prawns, conducts scientific surveys and research, and provides training and promotion in the field of aquaculture. The Centre operates four large outdoor tanks, numerous smaller tanks and an educational aquarium stocked with local marine life. The presence of oil in the entrance channel to Khawr Umm al Quwain on 8 January prompted the complete closure of the sea water intake to the centre. The facility then relied on re-circulation pumps and additional aeration to maintain water quality in its tanks. On 10 January pumping from the sea water well was resumed at times of high water during the day when the sea water intake site could be confirmed to be free of drifting oil. It is possible, however, that suspended oil droplets entered the facility with the sea water.

4.1.2 The interruption of the continuous sea water pumping led to a mangrove lagoon and ditch becoming partially drained. Two temporary barriers were constructed on 10 January to prevent more oil from entering the lagoon and to maintain water levels in the lagoon. However, during spring high tides of 13-14 January the whole mangrove area was inundated by floating oil, causing extensive contamination of mangrove roots. As it was generally recognised that oiled mangroves would probably recover naturally, no attempts were made to clean individual mangrove trees.

4.2 Traditional fishing

There are a number of fishing villages in the area affected by the oil pollution. Fishing is carried out from small boats using nets and traps. There are also numerous floating pens for storing or rearing fish that have been captured live in traps. There are two main fish markets in the Umm Al Quwain area.

4.3 Desalination and power plants

4.3.1 Drifting oil near sea water intakes caused a desalination plant in Sharjah to be closed from 12 to 14 January. A water bottling company in Sharjah which is supplied from the desalination plant was reportedly also closed for one or two days.

4.3.2 A desalination plant in Ajman was closed on 7 January and re-opened on 10 January after booms had been deployed at the intakes and protective screens had been fitted. The plant was again closed from 12 to 19 January. Judging from newspaper reports, the two closures did not cause any serious shortage of drinking water in the Emirate. Most of the water for Ajman City is supplied through wells, and the desalination plant is reported to be a supplementary source when demand is high, ie during the summer.

4.3.3 There have not been any reports of disrupted sea water supplies to power stations and other industrial facilities.

4.4 Tourism

The sandy beach in front of an hotel in Umm al Quwain was heavily oiled. It is reported that bookings at the hotel have been severely affected.

5 Claims for compensation

As at 15 April 1998, six claims for compensation had been received. These claims, totalling Dhrs 5 197 292 (£850 000), relate to clean-up operations. They are being examined by the 1971 Fund's experts.

6 Level of the 1971 Fund's payments

6.1 At its 57th session, the Executive Committee authorised the Director to make final settlements of all claims arising out of this incident, to the extent that the claims did not give rise to questions of principle which had not previously been decided by the Committee (document 71FUND/EXC.57/15, paragraph 3.11.8).

6.2 In view of the uncertainty as to whether the total amount of the claims might exceed the total amount available under the 1969 Civil Liability Convention and the 1971 Fund Convention (60 million SDR, corresponding to approximately £48 million), the Executive Committee decided that, for the time being, the 1971 Fund's payments should be limited to 50% of the loss or damage actually suffered by each claimant, as assessed by the experts of the Fund at the time the payment was made (document 71FUND/EXC.57/15, paragraph 3.11.9).

6.3 Although there is still a degree of uncertainty as to the total amount of the claims, the Director considers that it would be appropriate to increase the level of the 1971 Fund's payments to 75% of the loss or damage actually suffered by each claimant.

7 Investigations into the cause of the incident

7.1 The Director has instructed the 1971 Fund's lawyers in the United Arab Emirates to investigate the cause of the incident, with the assistance of technical experts, as required.

7.2 At the Executive Committee's 57th session, it was pointed out that some claimants might be those against whom recourse action would have to be taken, and that particular caution regarding the payment of compensation would be needed in respect of payments to such claimants.

8 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 consider whether to increase the level of the 1971 Fund's payments; and
 - (d) to give the Director such other instructions as the Committee may deem appropriate in respect of this incident.
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