



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1971

EXECUTIVE COMMITTEE
59th session
Agenda item 3

71FUND/EXC.59/7/Add.1
23 October 1998

Original: ENGLISH

INCIDENTS INVOLVING THE 1971 FUND

YUIL N°1 AND OSUNG N°3

Note by the Director

Summary:	Operations conducted on the <i>Osung N°3</i> have revealed that very limited quantities of oil remain in the cargo tanks.
Action to be taken:	Decide whether claims for compensation for costs associated with the <i>Osung N°3</i> operation are admissible if no significant quantity of oil is found on board.

1 Introduction

This document contains additional information on the operations undertaken to remove the oil from the sunken wreck of the *Osung N°3*.

2 Oil removal operations

2.1 In order to reduce mobilisation and demobilisation costs, it was decided by KMPRC at the planning stage that the operations to remove the oil from the *Osung N°3* would commence immediately after the completion of the *Yuil N°1* oil removal operations. The operations were started on the *Osung N°3* on 2 September 1998.

2.2 Practical problems have arisen due to strong currents, bad weather, continuous fouling of the wreck by debris, and the discovery that tank hatches and tank cleaning opening covers were not properly secured. Nevertheless, holes were drilled in all cargo tanks by 22 October 1998. Only minor quantities of oil, probably associated with 'clingage', were found in these tanks. However, due to the

position of the holes drilled in the ship's side plating, some 40 - 43m³ of space in each tank has yet to be checked for the presence of oil. Once the ship's two bunker tanks have been checked and cleared of oil, work will continue on checking the remaining spaces in the cargo tanks, which between them may hold a maximum of about 350m³ of oil. The exact quantities of oil in the two bunker tanks is not known, but it has been established from the ship's records that the total is less than 100m³.

2.3 The operations described in paragraph 2.2 above were exploratory in nature, to establish the quantities of oil remaining on board the vessel. The only pumping operations undertaken so far have involved the removal of foul water from some cargo tanks containing traces of oil. These operations, which were carried out over a period of about four days, were straightforward since the undersea equipment used to drill the holes is fitted with an integral pumping system. As reported in paragraph 3.2.14 of document 71FUND/EXC.59/7, a modified method of checking the remaining spaces in the cargo tanks and of pumping any oil found has had to be developed.

3 Claims for compensation in respect of the oil removal operations

3.1 Costs relating to both the *Yuil N°1* and *Osung N°3* operations have been apportioned provisionally on a 50:50 basis between the two incidents. The apportionment will be adjusted once both operations have been completed and the duration of the respective operations is known. These joint costs, which are estimated at some £1.0 million, would have been incurred even if only the oil removal operation relating to the *Yuil N°1* had been undertaken.

3.2 Because of the technical difficulties encountered and the delays caused by bad weather and strong currents, the costs associated with the *Osung N°3* operations are expected to be slightly higher than those for the *Yuil N°1* operations. These costs will be incurred irrespective of whether or not any significant quantities of oil are found in the cargo and bunker tanks.

3.3 The *Osung N°3* was carrying 1 700 tonnes of heavy fuel oil as cargo. The Korean Marine Police and the experts of the International Tanker Owners Pollution Federation Ltd (ITOPF) engaged by the 1971 Fund estimated that they were only able to account for between 200 and 500m³ on the sea surface during overflights.

3.4 At its 53rd session, the Executive Committee noted that it was likely that a significant quantity of oil remained on board the sunken *Osung N°3*, that if this oil were to be released there would be a risk of the oil affecting a large number of aquaculture facilities located some seven kilometres north of the site of the sunken ship and that such a release could give rise to substantial claims for compensation (document 71FUND/EXC.53/12, paragraph 3.8.2).

3.5 In 1997, the Korean Research Institute of Ships and Ocean Engineering presented a report on a survey of the *Osung N°3*. In the report it was estimated that the wreck of the *Osung N°3* contained about 1 400 tonnes of oil in her tanks, which was not likely to solidify. It was concluded that oil might escape from the wreck because of further deterioration of the damaged ship, or as a result of a ship or fishing gear coming into contact with the submerged wreck, or if the wreck were to be disturbed by a passing typhoon. Given the risk of further spillage and the potential impact on nearby fishing grounds, extensive mariculture facilities and tourist beaches, it was concluded in the report that an oil removal operation should be carried out as soon as possible to reduce the pollution risk, since 60% to 80% of the oil could be recovered. It was further concluded that the wreck itself should also be removed, with a view to eliminating completely the risk of further pollution.

3.6 The surveys of the wreck carried out in April and May 1997 under the auspices of the Korean Marine Police and the Korean Research Institute of Ships and Ocean Engineering encountered great difficulties. However, it was concluded from these surveys that all cargo tanks except N°1 port, which had been damaged as a result of the collision, were intact and that at least 1 000 tonnes of cargo and bunker oils remained.

3.7 The Director takes the view that, on the basis of the information which was available prior to the commencement of the operations, it was reasonable to assume that substantial quantities of oil remained on board the *Osung N°3* and that it was therefore reasonable to take measures to remove the oil that was believed to remain in the wreck. For this reason he considers that claims for compensation in respect of the costs associated with these operations are in principle admissible, even if no significant quantity of oil is found in the cargo tanks of the *Osung N°3*.

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; and
 - (b) to decide whether claims for the cost of the operations in respect of the *Osung N°3* are admissible even if no significant quantity of oil is found in the cargo tanks of the *Osung N°3*.
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