



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

ASSEMBLY
4th session
Agenda item 15

92FUND/A.4/13
6 September 1999
Original: ENGLISH

DEFINITION OF 'CONTRIBUTING OIL'

Note by the Director

| | |
|----------------------------|---|
| Summary: | The Director has reviewed further the list of 'contributing oil' and 'non-contributing' oil attached to the oil reporting form annexed to the Internal Regulations. |
| Action to be taken: | Decide on the proposed amendments to the list. |

1 Introduction

1.1 At its 3rd session the 1992 Fund Assembly decided that, to maintain consistency with the 1971 Fund Assembly's decision at its 16th session that 'contributing oil' should be limited to 'persistent oil', the list of 'contributing oil' and 'non-contributing oil' attached to the oil reporting form annexed to the Internal Regulations should be amended to the effect that the classification of condensates should be dependent on whether the type of oil in question was persistent. The Assembly approved a revised list of 'contributing oil' and 'non-contributing oil' (document 92FUND/A.3/27, paragraph 28.2.5).

1.2 In the revised list attached to the oil reporting form, condensates appear as both 'contributing oil' and 'non-contributing oil'. A footnote states that condensates are to be considered as 'non-contributing oil' if more than 50% by volume distills at a temperature of 340°C, or if more than 95% by volume distills at a temperature of 370°C, when tested by the ASTM Method D 86/78 or any subsequent revision thereof.

1.3 The Assembly instructed the Director to review further the list of 'contributing oil' and 'non-contributing oil'. The Director has completed his review in consultation with the Oil Companies International Marine Forum and the International Tanker Owners Pollution Federation Ltd. As a result of the review the Director makes certain proposals for amendment to the list. A revised list showing the proposed amendments is at the Annex to this document (amendments underlined).

1.4 In the view of the Director, in accordance with previous practice any decision taken by the Assembly to amend the list should not lead to any amendments of previous reports of contributing oil receipts and shall be taken into consideration only for future reports.

2 Results of the review

2.1 Marine diesel

2.1.1 In the list, marine diesel is placed in the column for 'non-contributing oil'. As a result of the review it has been established that some marine diesel oils are persistent whereas others are non-persistent.

2.1.2 Following the decision of the 1992 Fund Assembly *vis-à-vis* condensates referred to in paragraph 1.1, some marine diesel oils should be classified as 'contributing oil' whereas others should be classified as 'non-contributing oil'. However, the specifications against which marine diesel oils are marketed do not normally include distillation data, and a distinction for contribution purposes between persistent and non-persistent marine diesel oils would therefore require additional tests to be carried out. In view of the small quantity of marine diesel oil carried by sea as cargo in relation to the total quantity of contributing oil so transported, and the considerable administrative burden oil receivers would face if they had to distinguish in their reports to the IOPC Funds between persistent and non-persistent marine diesel oils, the Director proposes that marine diesel should continue to be classified as 'non-contributing oil'.

2.1.4 It should be noted that, irrespective of the Assembly's decision as regards the classification of marine diesel for contribution purposes, the 1992 Fund Convention would still be applicable to pollution damage caused by marine diesel oils which are persistent but would not be applicable to damage caused by non-persistent marine diesel oils.

2.2 Orimulsion and similar products

2.2.1 At its 15th session the 1971 Fund Assembly decided that a bituminous emulsion used for the production of heat or power, and known in the oil industry as *orimulsion*, should be considered as 'persistent oil' for the purpose of Article 1.5 of the Civil Liability Convention and should also therefore be considered as falling within the definition of 'contributing oil' laid down in Article 1.3 of the 1971 Fund Convention (document FUND/A.15/28, paragraphs 20.2 - 20.4). It was further decided that no allowance should be made for the water content in *orimulsion* in the assessment of contributions.

2.2.2 There are now a number of emulsion products similar to *orimulsion* which are also used for the production of heat or power. Some products are made from a mixture of bitumen and water and others are made from a mixture of heavy fuel oil and water. As their composition and use is similar to that of *orimulsion*, the Director is of the opinion that these products should also be considered as 'persistent oil' for the purpose of Article 1.5 of the 1992 Civil Liability Convention and 'contributing oil' for the purpose of Article 1.3 of the 1992 Fund Convention. The Director also considers that, as in the case of *orimulsion*, no allowance should be made for the water content in these other products in the assessment of contributions.

2.2.3 If the Assembly were to approve the proposal set out in paragraph 2.2.2 above, the Director considers that it would no longer be appropriate to refer specifically to *orimulsion* in the list of 'contributing oil'. The Director proposes that *orimulsion* and similar products should instead be referred to by the generic term 'bituminous emulsions and fuel oil emulsions used for the production of heat or power'.

2.3 Distillation criteria

The Director wishes to draw attention to a typographical error in the present text of the footnote <1> to the list attached to the oil reporting form which should read: "To be considered as 'non-contributing oil' if more than 50% by volume distils at a temperature of 340°C and at least 95% by volume distils at a temperature of 370°C, when tested by the ASTM Method D 86/78 or any subsequent revision thereof" and not or "if more than 95% ...".

3 Action to be taken by the Assembly

The Assembly is invited:

- (a) to take note of the information contained in this document;
- (b) to consider the proposed amendments to the list of 'contributing oil' and 'non-contributing oil' attached to the oil reporting form which is annexed to the Internal Regulations; and
- (c) to approve a revised list.

* * *

ANNEX

DRAFT

List of Contributing Oil and Non-Contributing Oil

The following list of contributing and non-contributing oil is intended as a guide for contributors (see also note 6)

| Contributing Oil | Non-Contributing Oil |
|--|---------------------------------------|
| <i>Crude Oils</i> | <i>Crude Oils</i> |
| All naturally occurring crude oils | Natural gas liquids |
| Condensate ^{<1>} | Condensate ^{<1>} |
| Topped crudes | Casinghead naphtha |
| Spiked crudes | Natural gasoline |
| Reconstituted crudes | Cohasset-panuke |
| <i>Finished Products</i> | <i>Finished Products</i> |
| N°4 fuel (ASTM) | LNG and LPG |
| Navy special fuel | Aviation gasolines |
| Light fuel oil | Motor gasoline (petrol, essence) |
| N°5 fuel (ASTM) - light | White spirit |
| Medium fuel oil | Kerosene |
| N°5 fuel (ASTM) - heavy | Aviation kerosene |
| Bunker C fuel oil | - Jet 1 A |
| Heavy fuel oil | - N°1 fuel (ASTM) |
| Marine fuel oil | Gas oil |
| N°6 fuel oil (ASTM) | Heating oil N°2 fuel (ASTM) |
| Blended fuel oils by viscosity | N°2 fuel (ASTM) |
| or sulphur content | Lubricating oil |
| <u>Bituminous emulsions and fuel oil emulsions</u> | Marine diesel |
| <u>used for the production of heat or power</u> ^{<2>} | |
| <i>Intermediate or Process Stocks</i> | <i>Intermediate or Process Stocks</i> |
| Fuel oil blend stocks | Straight run naphthas |
| | Light cracked naphtha |
| | Heavy cracked naphtha |
| | Platformate |
| | Reformate |
| | Steam-cracked naphtha |
| | Polymers |
| | Isomers |
| | Alkylates |
| | Catalytic cycle oil |
| | Reformer feed |
| | Steam cracker feed |
| | Gas oil blend stocks |
| | Catalytic cracker feedstock |
| | Visbreaker feedstock |
| | Aromatic tar |

^{<1>} To be considered as 'non-contributing oil' if more than 50% by volume distils at a temperature of 340°C and at least 95% by volume distils at a temperature of 370°C, when tested by the ASTM Method D 86/78 or any subsequent revision thereof.

^{<2>} Quantity of emulsion received should be reported with no allowance for its water content.