



INTERNATIONAL  
OIL POLLUTION  
COMPENSATION  
FUND 1992

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## INCIDENTS INVOLVING THE 1992 FUND

### BALTIC CARRIER

#### Note by the Director

<b>Summary:</b>	The <i>Baltic Carrier</i> was involved in a collision in the Baltic Sea off the coast of Germany resulting in an escape of some 2 500 tonnes of heavy fuel oil. The oil affected several of the Danish islands. The offshore clean-up was carried out by vessels from Denmark, Germany and Sweden. Onshore clean-up was undertaken by the Danish authorities. Claims for compensation will be presented for the cost of clean-up operations. There may also be claims from the fishery sector. It is not yet possible to estimate the total amount of the claims.
<b>Action to be taken:</b>	a) information to be noted; and b) authorise the Director to settle claims.

### 1 The incident

- 1.1 The *Baltic Carrier* (23 235 GT), registered in the Marshall Islands, was carrying some 30 000 tonnes of heavy fuel oil when on 29 March 2001 it collided with the *Tern* (20 362 GT), a sugar-laden bulk carrier registered in Cyprus, some 30 miles north-east of Rostock (Germany). The collision caused a hole approximately 20m<sup>2</sup> in one of *Baltic Carrier*'s cargo tanks, resulting in an escape of some 2 500 tonnes of heavy fuel oil.
- 1.2 The *Baltic Carrier* remained at anchor near the collision site during the first week in April until lightering operations of the undamaged cargo tanks were completed. The vessel was then escorted to a shipyard in Szczecin (Poland) for repair.
- 1.3 The spilled oil drifted north-westwards from the collision point and quickly approached the Danish coast just north of the island of Falster. Considerable quantities of floating oil were found off the islands of Møn and Falster as well as in the sounds between Falster, Sjælland and Møn (see attached map). The heaviest oiling of the shoreline occurred along the southern shores of Farø and Bogø. Lighter oiling of beaches occurred along the entire southern shores of Møn, along the northern coast of Falster and along the coastal areas of Sjælland east of Vordingborg.

- 1.4 A task force from the European Union attended the spill to evaluate the clean-up operation on behalf of the European Commission and to provide technical advice to the Danish authorities.
- 1.5 Representatives of the Helsinki Commission also attended and held a press conference to stress the importance of international co-operation among the Baltic States.
- 1.6 The *Baltic Carrier* was entered in Assuranceforeningen Gard (the Gard Club).
- 1.7 Experts from the International Tanker Owners Pollution Federation Ltd (ITOPF) have attended the incident on behalf of the Gard Club and the 1992 Fund.

## **2 Clean-up operations**

- 2.1 The Danish Coast Guard responded to the spill with seven of its oil response vessels. The Swedish and German authorities despatched three and two response vessels respectively, under the terms of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention).
- 2.2 Due to the nature of the oil, mechanical grabs were used to greater effect than skimmers in the recovery of the oil/water mix. After adjusting for water content, it was estimated that approximately 900 tonnes of oil was recovered, ie about one third of the spilled oil quantity.
- 2.3 Booms were used to protect the entrances to small harbours, to contain oil at sea to facilitate collection, and to drag oil towards the shore for land-based recovery. Booms were also deployed to protect ecologically sensitive areas, including wetlands and bird habitats.
- 2.4 Since the oil reached a number of shallow water areas, there was only limited possibility to conduct water-based recovery operations. In areas of depths greater than 70cm, shallow-draught workboats from the Swedish Coast Guard were able to recover oil. However, in many areas even these boats were unable to operate.
- 2.5 The offshore response was terminated on 2 April 2001, when it was established that no more floating oil could be found in open water areas accessible to large vessels. By 6 April all response vessels had discharged the collected oil into temporary storage barges. One Danish vessel remained on stand-by somewhat longer, as did the Swedish shallow-draft boats.
- 2.6 In the emergency phase the onshore clean-up was organised by the Danish Emergency Management Agency (the Agency). The shore-line clean-up involved several hundred people, including conscripts, police, municipal workers, contractors and local volunteers.
- 2.7 Specialised oil spill response equipment for the shore-based activities was supplied by the Agency from its emergency stocks, by the Swedish emergency services and from a Danish response equipment manufacturer. Much of the heavy equipment (eg excavators), ground transport and operators of the equipment were supplied by local commercial contractors or farmers in the area. Recovery was carried out using mechanical grabs and vacuum trucks. Manual recovery was undertaken in areas not accessible to heavy equipment, along slightly-oiled beaches and in areas with rocky/cobble substrate or in more sensitive environments.
- 2.8 When the emergency response phase was terminated on 9 April 2001, responsibility for cleaning was transferred to the municipalities concerned. Discussions took place between the municipalities regarding the techniques and standards for the fine-scale shoreline cleaning. The municipalities requested assistance from the Agency for the co-ordination of the operations.
- 2.9 Further clean-up work was carried out in April and May, including monitoring and removal of oil on beaches and the cutting of oiled grass in marshes.

- 2.10 Oil/water collected in the offshore operations was brought by the respective response vessels to the nearby port of Vordingborg, where it was transferred to barges. Oil and oiled debris recovered from the shore were transferred to temporary storage in barges and on land.
- 2.11 Three disposal options are available for collected oil and debris, namely incineration, landfill and recycling. In line with Danish policy, most of the collected oil and oily debris will have to be incinerated. This includes the oil/water mix collected in open waters, the sand/cobble/soil/straw/water/oil mix collected in near-shore areas and heavily oiled response gear as well as bird carcasses. The landfill option is available only for materials with less than 5% oil content. Recycling would be used only for collected oil with no debris and limited water content.
- 2.12 More than 2 000 dead birds have been reported, including swans, herons, ducks, and moorhens. In accordance with Danish policy, bird washing was not carried out. It was also considered that many of the birds would have died before they could have been brought into any washing facilities.

### **3 Claims for compensation**

- 3.1 There will be claims for significant amounts for the cost of the offshore and shoreline clean-up.
- 3.2 The use of heavy equipment at the water's edge and the transport of the recovered oil across marshes and naturally vegetated shore areas to the closest roadway resulted in the oiling and mechanical disturbance of ecologically sensitive areas. In some areas, the use of metal or plastic-lined gravel and earth tracks did mitigate some of the damage.
- 3.3 Commercial fishermen may have sustained some loss due to the closure of some small harbours, the oiling of nets and the rejection of catches due to oiling. The booms deployed across the entrances of two harbours protected fishing boats from oiling, but this development may have resulted in some financial loss, as the fishing season is said to have started on 31 March 2001.
- 3.4 A number of floating fish cages at a fish farm in Grønsund, between Falster and Bogø, were oiled. At the time of the oiling the fish farm was in the process of being stocked with young trout, which were to be reared for the production of roe for sale to Japan. A total of 62 tonnes of fish out of a planned total of 215 tonnes had already been put into cages and further stocking was stopped once the oiling occurred.
- 3.5 On the advice of the ITOPF experts on-site, the Gard Club arranged for a Norwegian laboratory to obtain samples of water and fish from the fish farm for analysis of concentrations of a group of Polynuclear Aromatic Hydrocarbons (PAHs), which are often used to provide guidance on whether marine products are fit for human consumption or should be subject to temporary harvesting or sales bans. Although the analyses showed that PAH levels in seawater were not significantly different from background levels in adjacent waters unaffected by the spill, the results for fish were less conclusive, since no comparative data for an unpolluted control site were available. Whilst slightly elevated PAH levels were found compared with results from other recent spills in Europe, the ITOPF experts considered that these levels would quickly subside and that it would be technically feasible to continue cultivating fish in Grønsund, given the normal timetable for spring/summer cultivation and autumn slaughter.
- 3.6 However, the owner of the fish farm contacted his Japanese buyers who indicated that they would not be willing to purchase roe produced in Grønsund this year. It is understood that the fish farm owner tried but failed in his efforts to obtain permission from the Danish authorities to cultivate the fish at alternative sites. The fish farm owner has also indicated that rearing fish in Grønsund for an alternative market would be uneconomic, and he therefore decided to abandon the rearing of fish in 2001. Substantial claims are expected in respect of economic loss resulting from this decision.

- 3.7 Some agricultural areas were oiled in connection with the loading, transport and transfer of oil to containers. Due to the fact that port entrances were protected by floating booms, it is unlikely that many recreational vessels or port facilities were oiled.
- 3.8 Since the incident occurred before the beginning of the tourist season, large claims for losses in the tourism sector are unlikely.
- 3.9 It is not yet possible to make an evaluation of the total amount of the claims for compensation.

#### **4 Environmental monitoring**

- 4.1 The Danish authorities are considering carrying out a study of the distribution of the oil and to investigate if further clean-up is necessary, possibly through biodegradation.
- 4.2 In this context reference should be made to the policy of the 1992 Fund in respect of post-spill environmental studies as set out in the 1992 Fund's Claims Manual:

Post-spill environmental studies are sometimes carried out to establish the precise nature and extent of the pollution damage caused by an oil spill and/or the need for reinstatement measures. The 1992 Fund may contribute to the cost of such studies, provided that the studies concern damage which falls within the definition of *pollution damage* laid down in the Conventions as interpreted by the 1992 Fund, including reasonable measures to reinstate the environment. In such cases, the 1992 Fund should be given the possibility of becoming involved at an early stage in the selection of the experts who will carry out the studies, and in the determination of the mandate of these experts. The studies should be practical and likely to deliver the required data. Their scale should not be out of proportion to the extent of the contamination and the predictable effects. The extent of the studies and associated costs should also be reasonable from an objective point of view and the costs incurred should be reasonable.

- 4.3 At a meeting held in Copenhagen on 12 May 2001, the Director drew the attention of the Danish authorities to the text of the Claims Manual set out above and in particular to the importance of the 1992 Fund being given the possibility of becoming involved at an early stage in the selection of the experts who would carry out the planned environmental study and in the determination of the mandates of the experts.
- 4.4 The Danish authorities have made available to the 1992 Fund a draft proposal for such a study. The main points of the proposal are as follows:

Sediment samples would be taken from depths of 0-2, 2-6 and 6-10 cm, two samples at each of 30 locations. This would give a total of 180 PAH analyses. Water samples would be taken at 30 locations. About 60 individual mussel samples would be taken at each of 30 locations. The sampling is expected to take some 14 days. The total cost of the sampling and analysis is estimated at some Dkr 1 190 000 (£96 000).

- 4.5 The Director considers that whilst the purpose of the proposed study, which is said to focus on the impact of the spill on recreational and economic resources, appears to relate to 'pollution damage' as defined in the 1992 Conventions, there appears to be some degree of overlap with a monitoring programme already being undertaken by the authorities in connection with the damage to the fish farm referred to in paragraphs 3.4 - 3.6. The Director has also expressed doubts to the Danish authorities about the need to measure PAHs in sediment samples in the context of the impact of the spill on recreational activities and has requested further details of the proposal to measure PAHs in mussels. In the light of these comments the Danish authorities have indicated that they intend to submit a revised proposal in the near future.

**5      Limitation of liability**

- 5.1      The shipowner has not yet commenced limitation proceedings.
- 5.2      The limitation amount applicable to the *Baltic Carrier* is estimated at Dkr 118 million (£9.5 million).

**6      Settlement of claims**

The 1992 Fund Executive Committee may wish to consider whether it is prepared to authorise the Director to make final settlements on behalf of the 1992 Fund of all claims arising out of the *Baltic Carrier* incident to the extent that the claims do not give rise to any questions of principle which have not previously been decided by any of the governing bodies of the 1971 Fund or the 1992 Fund.

**7      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 it is prepared to authorise the Director to settle all claims arising from this incident; and
- c)      to give the Director such instructions in respect of this incident as it may consider appropriate.

\* \* \*

## ANNEX

