



**INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS 1971 AND
1992**

EXECUTIVE COMMITTEE
18th session
Agenda item 3

92FUND/EXC.18/4/2
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ADMINISTRATIVE COUNCIL
9th session
Agenda item 15

71FUND/AC.9/13/5/2

INCIDENTS INVOLVING THE 1971/1992 FUNDS

NAKHODKA - REVIEW AND IMPROVEMENT OF WHOLE PROCESS OF SETTLEMENT

Submitted by the Japanese delegation

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| Summary: | Japan experienced the first biggest incident ever since the IOPC Fund had been established. Through the whole process of the settlement, we have recognized some issues to be improved. We hope the IOPC Fund activities be further improved by learning lessons from the <i>Nakhodka</i> case. |
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| Action to be taken: | Consider the following issues |
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- 1 Japan experienced the first biggest incident ever since the IOPC Fund had been established. Through the whole process of the settlement, we have recognized the followings. We hope the IOPC Fund activities be further improved by learning lessons from the *Nakhodka* case.
 - 1.1 First, in the *Nakhodka* case, it has taken more than five years (5 years and 7 months) to complete the final settlement since the occurrence of the actual incident on 2 January 1997. We recognise that there have been various reasons for taking such a long time. We, however, consider that it is important for IOPC to expedite its work and to shorten the period of settlement for the benefit of both victims and IOPC, in view of the compensation for the victims and the minimization of the cost for settlement. Therefore it is necessary to review and try to improve its whole process of settlement. Among others, it is considered appropriate to review the way how to best use of surveyors, such as using enough surveyors at earlier stage and increasing the number of surveyors in accordance with those of claims.
 - 1.2 Second, we recognize that the Claims Manual has been reviewed and amended from time to time to ensure the transparency of compensation. We appreciate such efforts to be continued earnestly. However, it is rather difficult for each victim to understand the actual application of the Claims Manual. It is, therefore, considered useful to supplement the actual examples of compensation with the Claims Manual.
- 2 The Committee is invited to consider the above and take action as appropriate.