



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

EXECUTIVE COMMITTEE
22nd session
Agenda item 3

92FUND/EXC.22/10
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INCIDENTS INVOLVING THE 1992 FUND

TWO KOREAN INCIDENTS

Buyang and Hana

Note by the Director

Summary:	<p><i>Buyang:</i> The vessel struck a submerged rock in a channel between Geoje Island and Tongyeong City, spilling 35-45 tonnes of heavy fuel oil. The oil impacted a number of islands in an area that supports important mariculture activities. It is unlikely the total admissible claims will exceed the limitation amount applicable to the tanker under the 1992 Civil Liability Convention.</p> <p><i>Hana:</i> The vessel was struck by another tanker alongside a wharf in Busan resulting in a spill of around 34 tonnes of medium fuel oil. The oil contaminated the hulls of a large number of vessels in the Port of Busan. The impact of the spill on fisheries was minimal. It is unlikely that the 1992 Fund will be required to pay any compensation in respect of this incident.</p>
Action to be taken:	Information to be noted.

1 *Buyang*

(22 April 2003)

1.1 The incident

- 1.1.1 The Korean tanker *Buyang* (187 GT) struck a submerged rock under the Geoje Grand Bridge between Tongyeong City and Geoje Island, Republic of Korea. An estimated 35-45 tonnes of heavy fuel was subsequently lost from a holed cargo tank.
- 1.1.2 The *Buyang* was insured for pollution liabilities with the Korea Shipping Association (KSA). The Association agreed with the 1992 Fund's proposal to apply the Memorandum of Understanding signed by the 1992 Fund and the International Group of P&I Clubs whereby the two parties would jointly

instruct surveyors and experts to monitor the clean-up and assist with the assessment of claims for compensation for pollution damage. A team of Korean surveyors and experts were appointed to undertake this work on behalf of the KSA and the 1992 Fund.

1.2 Clean-up operations

- 1.2.1 A fleet of 10 marine police patrol vessels and pollution response vessels was mobilised to contain oil around the vessel and to combat the oil that had escaped. These vessels were joined by a further nine marine police vessels and one pollution response vessel belonging to the Korean Marine Pollution Response Corporation (KMPRC).
- 1.2.2 The owner of the *Buyang* engaged an oil spill clean-up contractor who provided cleaning materials and hired a work force of 65 local labourers and three fishing vessels from the village fishing association to commence shoreline clean-up operations and a further 13 fishing vessels to join the at sea clean-up response.
- 1.2.3 The local government office on Hansan Island deployed an offshore response team comprising 15 local government employees and 30 local inhabitants.
- 1.2.4 Offshore clean-up operations were terminated after four days. Shoreline clean-up operations took one month to complete.

1.3 Impact of the spill

- 1.3.1 The oil impacted a number of islands between Geoje Island and Tongyoung polluting a number of sand and pebble beaches. Some of the oil encountered rafts of floating seaweed before stranding, which increased the volume of oily waste to be collected for disposal.
- 1.3.2 A large number of fish cage culture and other mariculture facilities were impacted by oil. The oil also affected a number of village fishing grounds. The hulls of a substantial fleet of fishing vessels were contaminated, which interrupted fishing until they had been cleaned.

1.4 Claims for compensation

- 1.4.1 The limit of liability applicable to the *Buyang* under the 1992 Civil Liability Convention is 3 million SDR (£3.4 million).
- 1.4.2 At its May 2003 session the 1992 Fund Executive Committee authorised the Director to settle claims arising from the incident to the extent that they did not give rise to issues of principle not previously considered by the Funds' governing bodies (document 92FUND/EXC.21/5, paragraph 3.3.11).
- 1.4.3 All claims assessment reports are submitted to the KSA and the 1992 Fund for their consideration and approval.
- 1.4.4 Claims in respect of clean-up and preventive measures totalling Won 1 112 million (£600 000), have been settled for Won 990 million (£534 000). One further claim for Won 48.6 million (£26 000) has been assessed at Won 15.8 million (£8 500).
- 1.4.5 Fishery claims totalling Won 3 611 million (£1.9 million) are being assessed.
- 1.4.6 Although the total amount of the claims is close to the limitation amount in respect of the *Buyang*, it appears unlikely that the 1992 Fund will be required to make any compensation payments. However, some contribution will be made by the Fund towards costs incurred in connection with the use of experts appointed jointly by the 1992 Fund and KSA.

2 Hana

(13 May 2003)

2.1 The incident

2.1.1 The Korean coastal tanker *Hana* (196 GT), whilst moored alongside a landing wharf on Youngdo Island, Busan was struck by the *Haedong*, another coastal tanker (699 GT). As a result of the collision the shell plating of one of the *Hana*'s cargo tanks was breached and around 34 tonnes of medium fuel oil was spilled.

2.1.2 The *Hana* was also insured for pollution liabilities with the Korea Shipping Association (KSA). The Association and the 1992 Fund decided to co-operate on the same basis as that agreed in respect of the *Buyang* incident. A team of Korean surveyors and experts were appointed to monitor the clean-up and assist with the assessment of claims for compensation for pollution damage on behalf of the KSA and the 1992 Fund.

2.2 Clean-up operations

2.2.1 A fleet of 10 vessels was deployed by the Busan Marine Police, which was joined by five pollution response craft belonging to the Korean Marine Pollution Response Corporation (KMPPRC), four vessels belonging to the Busan Metropolitan Government and one from the Republic of Korea Navy.

2.2.2 Six local clean-up contractors were engaged by the owner of the *Haedong* to assist in shoreline clean-up operations and to clean structures such as quay walls and breakwaters and the hulls of ships and fishing vessels. Clean-up operations at sea were terminated after three days and the cleaning of shorelines and structures was completed within one month.

2.3 Impact of the spill

2.3.1 Several hundred vessels, including coastal tankers, oil barges, tugs, ships under construction at local shipyards and fishing boats had their hulls contaminated with oil.

2.3.2 Oil entered the onshore tanks of a major exporter of live fish to Japan, which at the time were stocked with fish. The company undertook a number of measures to minimise pollution damage to the stocks and it is understood that a consignment was despatched overseas shortly afterwards.

2.3.3 The quay of one of Busan's major fish markets was heavily contaminated with oil, although fishing vessels were able to land catches at other markets in Busan.

2.4 Claims for compensation

2.4.1 The limit of liability applicable to the *Hana* under the 1992 Civil Liability Convention is 3 million SDR (£3.4 million).

2.4.2 Claims totalling Won 1 702 million (£942 000) have been submitted in respect of the costs of clean-up operations. Claims totalling Won 1 575 million (£847 000) have been settled for Won 1 118 million (£600 000).

2.4.3 Claims in respect of cleaning oiled fishing boats have been settled for a Won 19.2 million (£10 300).

2.4.4 Fishery claims totalling Won 64.4 million (£35 000) are being assessed.

2.4.5 On the basis of the level of claims submitted as at 17 September 2003 it appears unlikely that the 1992 Fund will be called on to make any compensation payments. However, some contribution will be made by the Fund towards joint costs incurred in connection with the use of experts appointed jointly by the Fund and KSA.

3 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 give the Director such instructions in respect these incidents as it may deem appropriate.
