



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992

EXECUTIVE COMMITTEE
2nd session
Agenda item 3

92FUND/EXC.2/4
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INCIDENTS INVOLVING THE 1992 FUND

OSUNG N°3

Note by the Director

Summary:

The operation to recover the oil from the wreck has been completed successfully. Following the 1971 Fund's decision to increase the level of its payments to 100%, the 1992 Fund will ultimately not be liable in respect of this incident.

Action to be taken:

Information to be noted.

1 The *Osung N°3* incident which occurred on 3 April 1997 in the Republic of Korea has been dealt with in detail in a document presented to the 1971 Fund Executive Committee which also covered the *Yuil N°1* incident in which the 1992 Fund is not involved (document 71FUND/EXC.60/7). It is submitted that that document should form a sufficient basis for the 1992 Fund Executive Committee's consideration of the *Osung N°3* incident^{<1>}. The *Osung N°3* incident is dealt with in sections 2.2, 3.1, 3.3, 4.2, 5.1, 5.3 and 6.2 of that document.

2 The 1992 Fund's involvement in the *Osung N°3* incident is due to the fact that the oil from the ship not only affected the Republic of Korea but also reached the sea adjacent to Tsushima island in Japan and affected the shoreline of the northwest coast of that island. The Assembly of the 1992 Fund decided at its 2nd session that, in respect of claims relating to damage in Japan, the 1992 Fund should pay the balance of the established claims over and above the payments made by the 1971 Fund which were then limited to 25% of the damage actually suffered by each claimant (documents 92FUND/A.2/29, paragraph 17.3.6 and 71FUND/EXC.59/7, paragraphs 4.2.1-4.2.6).

<1> For the sake of economy document 71FUND/EXC.60/7 has not been reproduced as an Annex to this document.

3 The situation in respect of the claims in Japan is set out in paragraphs 5.3.2 and 5.3.3 of document 71FUND/EXC.60/7.

4 As set out in paragraph 4.2.8 of document 71FUND/EXC.60/7, the Director decided in November 1998 to increase the 1971 Fund's payments from 25% to 100% of each established claim arising out of the *Osung N°3* incident, following the successful completion of the operation to recover the oil from the wreck. As a consequence of this decision, the 1971 Fund reimbursed the 1992 Fund in respect of the amounts it had paid to cover the balance of the Japanese claims. On 23 December 1998 the 1971 Fund paid the balance, ¥340 million (£1.6 million) to the 1992 Fund, plus interest thereon amounting to £29 000. The 1992 Fund will therefore ultimately not be liable in respect of this incident.

Action to be taken by the Executive Committee

5 The Executive Committee is invited to take note of the information contained in this document.
