

ASSEMBLY - 1st session  
Agenda item 17

INCREASE OF MAXIMUM LIABILITY OF THE FUND

Proposal by the French delegation

1. As recalled by the Secretariat in document OPCF/A.I/14, the 1971 Convention fixed the maximum amount of compensation payable by the Fund in respect of any one incident at 450 million Poincaré francs (or about 36 million dollars or 165 million French francs). Article 4(6) of the Convention empowers the Assembly to increase the maximum compensation to 900 million Poincaré francs, having regard to the experience of incidents which have occurred and, in particular, the amount of damage resulting therefrom and changes in the monetary values.
2. Following the grounding of the "Amoco Cadiz" the French representatives to IMCO proposed to the Council and to the Legal Committee that the doubling of the sum payable as compensation under the 1971 Convention be envisaged so as to make it possible in the future to meet particularly high claims in the event of a pollution casualty of the same kind and magnitude as the grounding of the "Amoco Cadiz". However vigilantly international regulations for the prevention of pollution are applied, human or technical failure is, unfortunately, always possible.

The experience acquired as a result of the pollution caused by the grounding of the "Amoco Cadiz" provides spectacular proof of the inadequacy of the amounts fixed by the 1971 Convention.

3. It is not yet possible to establish the exact extent of the damage suffered. However, a number of figures can be put forward at the present stage.

(1) Expenses of combating pollution

These appear to total 415 million French francs. They include the cost of clearance, clean-up, provision of pollution-combating appliances (tools, pumps), and the cost of destruction of wastes.

It was necessary to conclude contracts for equipment and supplies with private firms totalling 220.7 million French francs.

The total outlay in respect of the public services involved were:

- 155 million French francs for the use of military facilities and manpower (navy, air force, military personnel employed on clean-up);
- 23 million French francs for civilian services (in particular for providing and transporting oil booms);
- for their part, the local authorities (departmental and municipal) incurred expenditure of some 16 million French francs.

(2) Economic damage suffered by sea-related economic activities

This mainly concerns the damage to the shellfish industry, in particular as a result of the mass destruction of oysters in oyster beds. In addition, there was destruction of fishing equipment and the complete stoppage of seaweed harvesting which temporarily brought to a halt the industries using it. Other activities and industries dependent on fish catches were also seriously affected (the fish trade, canneries, transport firms). In addition, massive transfers of oysters to other beds located in other regions were necessary in an endeavour to cleanse the oysters affected by pollution.

Such damage totals an estimated 45 million French francs solely for those whose livelihood depends on the sea. These figures include special compensation totalling 4 900 000 French francs paid to those professionally involved in respect of their being put out of work.

Economic damage suffered by the tourist industry amounts to an estimated 600 000 French francs.

The total cost of combating pollution and of economic damage assessed up to the present time therefore comes to 460 600 000 French francs.

(3) In addition, commercial and industrial losses have still to be accurately assessed. Damage assessment commissions are due to deal with this matter but are not yet in a position to provide information.

Furthermore, necessary expenditure on ecological follow-up (monitoring of fauna and flora by scientific bodies) is estimated at 12 million French francs.

(4) To the knowledge of the French authorities, damage was suffered by the United Kingdom and expense incurred.

(5) A number of private individuals, private associations and local communities have also submitted requests for compensation in respect of losses suffered.

4. This being so, and even though the extent of the damage cannot yet be established accurately, a doubling of the maximum amount payable by the International Oil Pollution Compensation Fund would only make it possible to pay compensation for damage up to a limit of 330 million French francs. Clearly that sum is now wholly inadequate for proper and equitable compensation in the event of catastrophic pollution such as that caused by the grounding of the "Amoco Cadiz". What would the position have been if the ship involved had been an oil tanker of even larger capacity?

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