



INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUNDS 1971
AND 1992

FONDS INTERNATIONAUX
D'INDEMNISATION DE 1971
ET DE 1992 POUR LES
DOMMAGES DUS À LA
POLLUTION PAR LES
HYDROCARBURES

FONDO INTERNACIONAL
DE INDEMNIZACIÓN DE
DAÑOS DEBIDOS A LA
CONTAMINACIÓN POR
HIDROCARBUROS
DE 1971 Y 1992

The April 2000 sessions of the governing bodies - In brief

14 April 2000

Four sessions in one week

During the week of 3 – 6 April 2000, the 1992 Fund held a session of its Executive Committee, an extraordinary session of its Assembly and a second meeting of its second intersessional Working Group.

The 1971 Fund attempted to hold a session of its Executive Committee, but failed to achieve a quorum. It therefore attempted to hold an extraordinary session of the Assembly but still did not achieve a quorum. Therefore the first session of the Administrative Council was held, dealing with the items on the agenda of the Executive Committee.

Levy of contributions to the Erika Major Claims Fund

Due to the large number of claims received or expected in the *Erika* case, the 1992 Fund is likely to have to pay substantial amounts of compensation before March 2001, the next regular date for receipt of contributions. Therefore, the Assembly decided to make a levy of £40 million to the *Erika* Major Claims Fund, for payment by 1 September 2000. This will result in an estimated levy of £0.035730 per tonne of oil received by contributors.

Revision of maximum amount of compensation available under the 1992 Conventions

The United Kingdom Government, supported by a number of other Governments, is submitting a proposal to the International Maritime Organization (IMO) to increase the limits in the 1992 Civil Liability Convention and the 1992 Fund Convention. This matter will be considered by the IMO Legal Committee in October 2000.

Establishment of new Working Group

Following a proposal from the French delegation, the Assembly established a Working Group to examine the adequacy of the international compensation regime established by the 1992 Civil Liability Convention and the 1992 Fund Convention. The French delegation made the point that although the system has worked well on many occasions there were inadequacies in the system. The Working Group will meet on 6 July 2000 for a preliminary exchange of views and to draw up a list of issues for further consideration.

Winding up of the 1971 Fund

In the near future the 1971 Fund will not be viable, as its contribution base will fall to only 90 million tonnes and it will be unable to pay compensation in any new major incident. In spite of the Director's efforts to encourage Member States to denounce the 1971 Fund Convention, many still have not done so. In September 2000 an IMO Diplomatic Conference will be held to consider amending the Convention so that the 1971 Fund can be wound up more quickly.

Some 1992 Fund Member States considered that it would soon be inappropriate for the 1992 Fund to continue to share its Secretariat and Director with the 1971 Fund. The Director was instructed to study the possibilities open to the 1992 Fund. The future role of the 1992 Fund in the operation of the 1971 Fund is to be discussed at the 1992 Fund Assembly in October 2000.

The Director was instructed by the 1971 Fund Administrative Council to study all aspects of the winding up and liquidation of the 1971 Fund.

Various incidents

Braer

Payments will soon resume in respect of this incident. In October 1999 the Executive Committee decided that once the total of the claims pending in court plus the claims which were approved but not paid fell below £20 million, payment of the approved claims could resume. Since then, the United Kingdom Government and the shipowner's insurer have decided not to pursue their claims. A group of fish processors' claims will shortly be withdrawn and then the conditions for resumption of payments will be met. The Director is assessing what proportion of the agreed amounts of the approved claims can be paid at this stage.

Nakhodka

Since April 1997, payments in the *Nakhodka* case have been limited to 60% of the approved amounts of the claims for compensation. Both the 1971 and 1992 Funds decided to increase the level of payments from 60% to 70%, and to review the matter again in October 2000.

Erika

The French Government has decided that the oil should be removed from the two halves of the wreck.

It is not yet possible to assess the total amount of the claims, since some fishing bans are still in force and the tourism season has not yet started. It is expected that the claims situation will become clearer by mid-June. The Executive Committee therefore decided to hold a session on 5 July 2000 to consider any new developments.

The limitation proceedings were opened in March 2000 and the Court determined the limitation amount applicable to the *Erika* at FFr84 million (£7.7 million).

A preliminary report on the cause of the incident was published in January by the French Permanent Enquiry Commission for Incidents at Sea. The shipowner and his insurer have expressed reservations in respect of several points in the report.

Courts in Paris and Dunkirk are also carrying out investigations into the cause of the incident, as are the Maltese authorities. The Italian Government is investigating the cause and responsibilities of the incident, as the certifying registry of the *Erika* was the Italian classification society.

Relocation of the IOPC Funds' offices

On 19 June 2000 the IOPC Funds will be relocating to their new premises at:

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