



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

IOPC Fund meetings: February 2003 - In brief

17 February 2003

During the week of 3 - 7 February 2003, the International Oil Pollution Compensation Funds 1992 and 1971 (IOPC Funds) held a number of meetings. The 1992 Fund held a meeting of its Executive Committee and the 1971 Fund held a meeting of its Administrative Council, both of which dealt only with incidents. The 1992 Fund also held a meeting of an intersessional Working Group, which was set up in April 2000 to consider the adequacy of the international compensation regime.

Various incidents

Erika (France, 1999)

Since the potential claims exposure is still greater than the maximum amount available for compensation in respect of the *Erika* incident, the Executive Committee decided to maintain the level of payments at 80% of the loss or damage actually suffered by the respective claimants, but authorised the Director to increase the level to 100% when he considered it safe to do so. The French delegation undertook to try to resolve the apparent misunderstandings and duplications of some of the claims in the public sector, in order to help clarify the total amount of the outstanding claims.

Slops (Greece, 2000)

The Committee noted that the Court of first instance in Greece had rendered its judgement in the action taken against the 1992 Fund by two Greek companies for the costs of clean-up and preventive measures. The Executive Committee had previously rejected these claims on the grounds that the *Slops* did not fall within the definition of 'ship' laid down in the 1992 Civil Liability Convention and the 1992 Fund Convention. The Court decided, however, that the *Slops* fell within that definition. The Committee decided that the 1992 Fund should appeal against the Court's judgement.

Prestige (Spain, 2002)

The Executive Committee dealt with the *Prestige* incident for the first time. The Committee expressed its sympathy with the victims, Governments and regional and local authorities of the three 1992 Fund Member States (Spain, France and Portugal) impacted by this major incident.

The shipowner's insurer, the London Steam-Ship Owners' Mutual Insurance Association Limited (London Club), and the 1992 Fund have established a Claims Office in La Coruña (Spain), which became fully operational on 20 December 2002. The Club and the Fund are considering setting up a Claims Office in Bordeaux (France).

The Committee decided that an extraordinary session of the Assembly should be held during the week of 6 May 2003 to consider whether contributions should be levied for payment during the second half of 2003 to enable the 1992 Fund to make prompt payments of compensation to the victims of the *Prestige* incident.

Since it is not possible at this stage to make any meaningful assessment of the magnitude of the total amount of the established claims arising from the *Prestige* incident, the Committee decided that the Director's authority to make payments should, for the time being, be limited to provisional payments to victims suffering financial hardship. It is anticipated that the claims situation will become clearer by the end of April 2003, enabling the Committee to make a decision on the appropriate level of payments by the 1992 Fund at its next session to be held in early May 2003.

The limitation amount applicable to the *Prestige* under the 1992 Civil Liability Convention is approximately 18.9 million SDR or €24 million (£15.9 million).

The maximum amount of compensation payable in respect of this incident under the 1992 Conventions is 135 million Special Drawing Rights of the International Monetary Fund (SDR). In accordance with a decision by the Assembly, the Committee decided that the SDR should be converted into euros on the basis of the rate of the euro on the date of the adoption of the Executive Committee's Record of Decisions, ie 7 February 2003. The amount available for compensation is thus €171.5 million (£113.8 million).

Working Group of the 1992 Fund on the adequacy of the international compensation system

This Working Group was set up in April 2000 to consider the need to improve the 1992 Civil Liability Convention and the 1992 Fund Convention in order to ensure that the international compensation system continues to meet the needs of society. The Working Group focused its discussions on shipowners' liability and related issues. Other items discussed were the uniform application of the Conventions, fixed costs, alternative dispute settlement procedures, the definition of 'ship' and the non-submission of oil reports.

The Secretariat was instructed to carry out a study on the costs of past oil spills with a view to determining the extent to which the tanker industry and the oil industry have shared those costs and will continue to do so in the future.

The Working Group will meet again in October 2003.

Future meetings

The following meetings have been scheduled for the remainder of 2003. Additional meetings may be necessary, depending on developments in respect of existing incidents and the occurrence of new ones.

Week of 6 May	1992 Fund Assembly (extraordinary session) 1992 Fund Executive Committee 1971 Fund Administrative Council
Week of 20 October	1992 Fund Assembly 1992 Fund Executive Committee 1992 Fund Working Group 1971 Fund Administrative Council