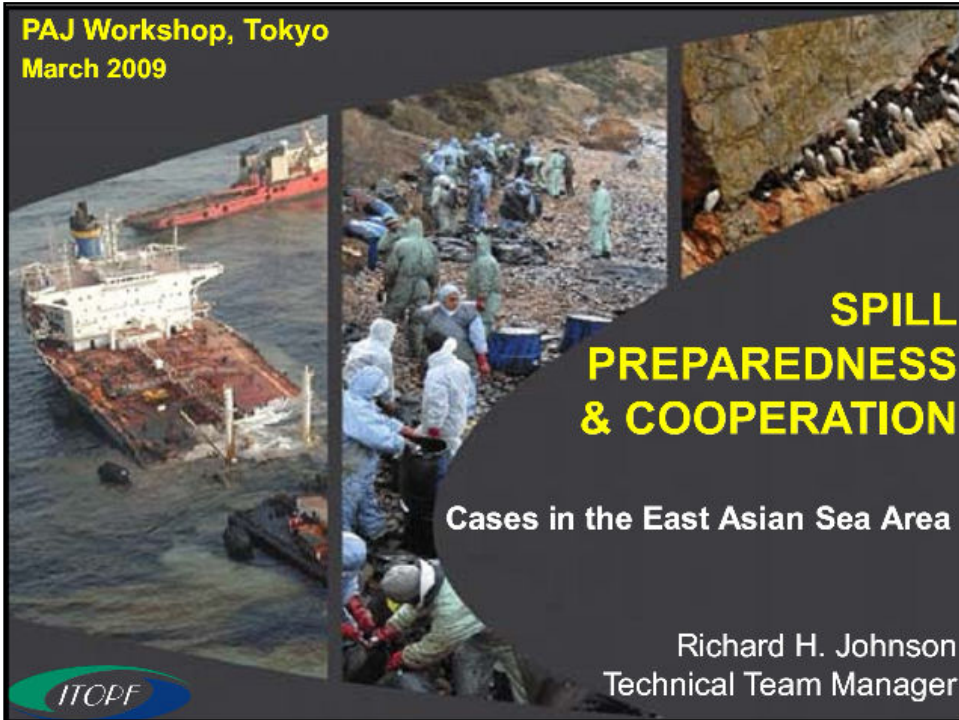


PAJ Workshop, Tokyo
March 2009



SPILL PREPAREDNESS & COOPERATION

Cases in the East Asian Sea Area

Richard H. Johnson
Technical Team Manager





COOPERATION Parties Involved

- P&I Club / IOPC Fund - *MoU*
- Club Correspondent
- Ship Agent
- Ship Managers
- Local Surveying companies

- Cargo owners
- Non-spilling vessel interests
- Salvors



COOPERATION Parties Involved

Authorities

- Korean Coastguard
- Ministry of Maritime Affairs & Fisheries (MOMAF)
 - MLTMA & MIFAFF
- Command Post, Taean
- Strategic Meetings, Seoul



COOPERATION Parties Involved

Authorities

- Province officials
- County officials
- City officials
- Village Chiefs
- (Contractors)







Damage Assessment

- Local surveyors
- International experts
- Fishermen
- Fishing Co-operatives
- HSC
 - Joint Club/Fund Claims receiving/coordinating office



FISHERIES & MARICULTURE

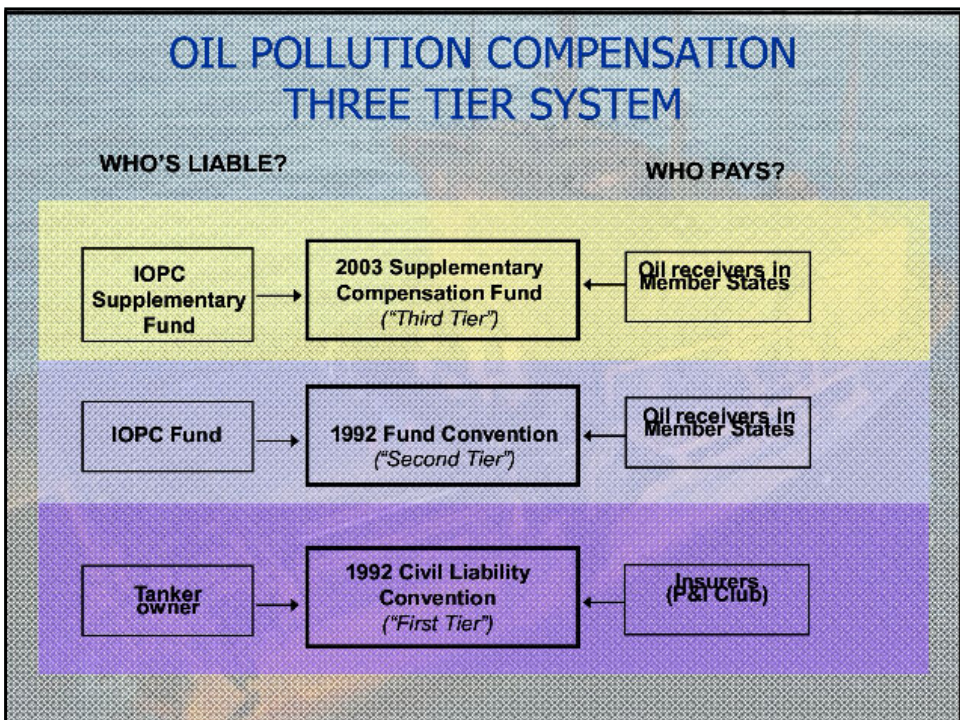
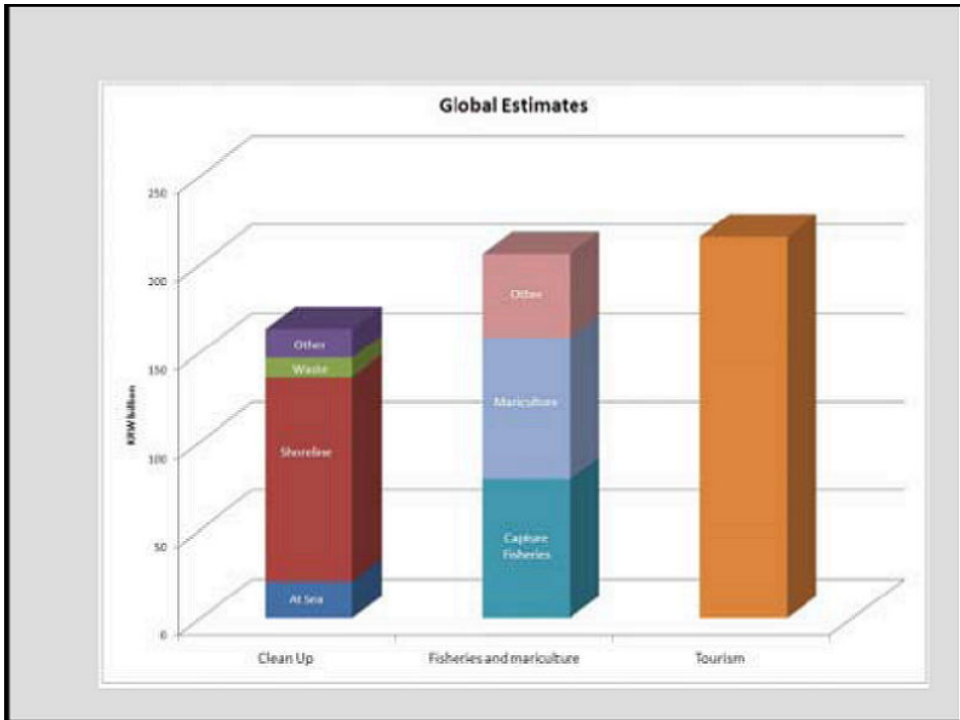


Extended fishing restrictions - lifted on 1st Sept 2008
Effect on sales and market confidence
Scientific support

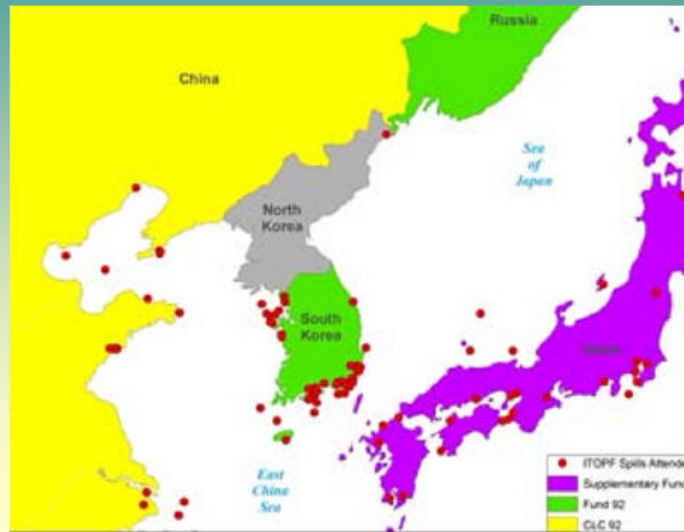


Destruction of produce





CLC AND IOPC FUND RATIFIED STATES



IOPC Fund Pro Rata

Convention	Amount Kwon billion	Amount US\$
1992 CLC (SDR 90 million)	142 billion	104 million
1992 Fund Limit (SDR 203 million)	322 billion	234 million
2002 Supplementary Fund (SDR 750 million)		
Category	Amount Kwon billion	Amount US\$
Clean Up	163 billion	118 million
Fisheries and mariculture	206 billion	150 million
Tourism	215 billion	156 million
Total	585 billion	425 million
Pro Ration	35%	

COOPERATION

Parties Involved

P&I Club & Fund & Government

- Responsible for protecting national coastline / sensitive resources
- Responsible for well being of citizens
- Payments?

COMPENSATION

- 1992 CLC & Fund Conventions apply
(not Supplementary Fund)
- ~US\$ 234 million limit (incl. US\$ 104 million CLC limit)
 - Clean-up and disposal
 - Fisheries, including destruction of produce & gear
 - Tourism
 - Environmental monitoring
- Co-operation Agreements
- Claims registering office established in Seoul

Club / ROK Govt Actions

- 1st Cooperation Agreement (7th Jan 2008)
 - US\$12 million paid by Club for Dec clean up work (Govt undertook to pay back anything above what proved to be pro rata limit)
- 2nd Cooperation Agreement (1st July 2008)
 - To aid prompt payment...
 - Limitation Court issue resolved
 - Club will pay 100% of Club/Fund assessed amounts to Club limit
 - In return Govt to ensure all claimants treated the same, and will get paid Club/Fund assessed amounts in full

ROK Govt Actions

- Special Law (15th June 2008)
 - Govt will pay whole of Club/Fund assessed amount exceeding Fund limit (*ie above pro rata level – 35%*)
 - Govt will make Advance payments of full amount of Club/Fund assessed amounts. Central Govt will subrogate, ie claim back assessed amounts from Fund later
 - Govt will pay local govt for villager *claimed* amounts for Jan/Feb, above Club/Fund interim assessment (ie claims paid in full). Subrogated claim.
- Local govt paying clean up villager *claims*, March onwards, and will claim back Club/Fund assessment
- SLQ (Stand last in Queue – ROK Govt)
 - for *directly* incurred clean up costs (not subrogated ones)

ISSUES

- Political changes (Govt elections)
- Civil unrest, suicides, safety considerations
- Compensation regime
 - ~US\$ 12 million paid by P&I Club initially
 - Not possible for prompt payments
 - Political vs technical sensitivities
 - Interim assessments held back
 - Club / Govt. Agreement for Govt. to pay shortfall of pro rated payments
 - Central / Local Govt. decision to pay villager clean up claims in full
 - Claims registering office established in Seoul (HSC)

Lessons for the Region

- Ratify appropriate Conventions
 - Supplementary Fund
 - Cost-benefit analysis
- Solid Club / Fund / Govt working relationship very important
- Technical / Political decisions

