



KISH P & I LOSS PREVENTION CIRCULAR KPI-LP-27-2012
(Summarized Guidelines concerning Oil Pollution Incidents)

I. Oil Pollution Incidents

► A. Concerns about environmental pollution has been growing year by year and oil pollution incidents caused by vessels are quite sensational issues on the media. Oil pollution leads to very expensive clean-up operations and often large compensation payments to third parties (especially for fishery damage). This will also have deteriorating effects on the corporate image of the owners, managers, operators and other related parties. The owners, Masters, Chief Engineers or other officers/crews can be heavily penalized and or imprisoned.

Therefore, utmost care should be taken to prevent oil pollution incidents.

The typical causes of pollution are:

1. *Damage to cargo oil tanks or fuel oil tanks due to collision, sinking, grounding or explosion;*
2. *Overflow of fuel tanks through the air vent while bunkering and/or shifting;*
3. *Overflow of cargo tanks due to mishandling of valves or etc.*

► B. Liability and compensation schemes:

1. Under the International Convention on Civil Liability for Oil Pollution Damage (CLC), the owners of dirty tankers [vessels carrying oil in bulk as cargo], which cause oil pollution are held liable for the pollution damage whether or not the Masters or crew are at fault. This is referred to as the “strict liability” principle.

On the other hand, the owners are entitled to limit their liability in accordance with the provisions of this Convention. (For more details, refer to the text of the Convention)

2. Parties suffering damage due to oil pollution caused by tankers which fall within the CLC may not be able to receive satisfactory compensation because of the limitation under CLC. This may be because the owners are exempted from liability because of *force majeure* (a contractual exclusion based on certain incidents, also often referred to as “acts of God”), or may not have sufficient insurance for oil pollution or may not have capacity to pay. In such cases, the victims are entitled to be indemnified directly by the international fund under the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (FC).

► C. In the event of an oil pollution incident caused by non-CLC vessels, the owners’ liability to third parties may be limited under a limitation regime such as the Convention on Limitation of Liability for Maritime Claims (LLMC Convention).

Other conventions may also be available: the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS Convention) which covers pollution caused by spillage of harmful hazardous substances from non-CLC vessels has been adopted and, at the time of writing, is waiting to go into effect. The International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention) which targets at oil pollution occurring as a result of bunker oil spill from non-CLC and/or non-HNS vessels was adopted in March, 2001.



II. P&I Insurance

P&I insurance covers damages caused to third parties due to oil pollution and/or costs and expenses incurred by the owners for preventing and/or mitigating the damage and/or cleaning the oil spilled. Insurance coverage shall also be provided when damage is caused by pollutants other than oil, such as cargo, paint, soot, etc.

Attention should be paid to the relevant regime of liability and compensation for oil pollution that may apply from country to country.

III. Reporting of Incidents

As soon as appropriate steps are taken to prevent the oil from spilling, promptly report the incident to the owners, the local authorities concerned and the local P&I correspondents. It is also important to ascertain the type of the pollutant, the cause of the spill and the quantity spilled. In the case of incident in the U.S. waters, the Master should notify the Qualified Individual (QI) first.

IV. Steps to be taken following an incident

The Master should ensure that appropriate steps are taken in accordance with the oil pollution incident response manual (oil pollution emergency plan) prepared by the owners or the managers. In case of incident in U.S. waters, the Master should take appropriate steps in accordance with the Vessel Response Plan (VRP).

► A. Emergency actions:

1. *Immediate deployment of Oil Pollution Prevention Station.*

2. *Prevention and mitigation of further spill:*

- *Closing up the leaks*

- *Depressurizing the leaking tanks/pipelines and shutting down the relating valves (shutting down the valves of the gas vent pipes if applicable)*

- *Transfer of oil remaining in the leaking tanks into available tanks or spaces*

- *Control of the vessel's stability by trimming*

3. *Prevention of secondary incidents such as personal injuries, fire and explosion:*

- *Having a place on the windward side of the incident site*

- *Preventing invasion of toxic or flammable gas into the engine room and accommodation*

- *Removing source of fire, thorough control of fire and detection of gas*

4. *Clean-up and/or removal of spilled oil (collection of spilled oil with absorbents). The use of oil dispersants requires prior permission from the authorities and/or fisheries association concerned. This is especially true within United States waters where the use of unauthorized dispersants is strictly prohibited.*

5. *Extending oil booms.*

► B. Ascertaining the situation and reporting the status:

1. Date, time and place where the pollution incident occurred

2. Presence of imminent danger of personal injuries and listing / drifting / flooding of the vessel



3. The vessel's particulars such as the name, type, flag and gross tonnage
4. The names and contact numbers of the owners/managers
5. Draughts
6. Last port/Next port
7. Direct cause of the spill (collision, grounding, overflowing of fuel tanks during bunkering, etc.) and accounts of the event (how the oil spill occurred)
8. The type of the spilled oil (fuel oil, lubricating oil, cargo oil, dirty oil (heavy oil), clean oil (light oil))
9. Location of the leaking hole/crack and its size
10. The quantity of the fuel/cargo oil before/after the spillage
11. The extent of the spill (length/width/direction of the oil spilled)
12. The weather and sea conditions (wind speed/wave height/swell/tidal current)
13. Environment (presence of fishery facilities or resort areas in the vicinity)
14. Oil spill prevention measures taken
15. Necessity for expert help

►C. Records to be retained:

1. Deck log book, engine log book, oil record book and a record of conditions of the tanks before the incident
2. Sea protest
3. Statements of Master/crew-members
4. Photographs and video films
5. Samples of the oil spilled
6. All relevant communications/correspondence in respect of oil spill

►D. Typical actions of oil spill response:

1. In the event of a spill of clean oil such as gasoline, jet fuel, kerosene and gas oil:

No particular clean-up work is performed for volatile oil such as gasoline and jet fuel which easily vaporizes. Thus, necessary action must be taken to alert ships to avoid the area of the oil spill.

2. In the event of a spill of dirty oil, such as crude oil and bunker fuel:

Oil spill response plan is established depending on the quantity of the oil spilled, the weather conditions, sea conditions, tidal current and land formation. Deploying oil booms, collecting the oil with absorbents, sprinkling oil dispersants, operating oil-spill clean-up by workboats at sea and/or on the shore will be carried out, as appropriate, to clean the oil so as to prevent further pollution damage.

If a large quantity of oil has been spilled or there is a risk of serious damage to fishery or residents in the vicinity, a spill control team may be set up by the owners in consultation with the relevant local authorities.

3. Others:

In the event a vessel's sinking, or grounding and an oil spill continuing, salvors can be engaged to contain the spill or remove the oil remaining in the vessel.

V. Coping with various investigations

Maintain close contact and cooperation with the vessel's interests (P&I correspondents, surveyors, QI, lawyers and others)

Following the oil pollution incident, various parties, including the relevant local authorities, will contact the vessel or come on board. The Master should first check their identities, the parties which they



represent and their purposes before deciding whether or not to disclose information / permit for investigations. If the Master feels anxious, then should seek advice of the lawyers appointed by the owners or P&I correspondents before making a decision alone.

If the authorities wish to conduct interviews with the Master or crew, the Master should immediately check with P&I correspondents whether legal representatives are allowed to attend. If affirmative, the Master should have lawyers attend. Such attendance of lawyers is allowed in some countries.

The Master should cooperate fully with the lawyers and surveyors appointed by the owners or P&I correspondents during their investigations.

-Following directions of the authorities:

It is important to answer questions honestly when interviewed by the authorities and ensure the accuracy of their investigation record when signing it. The Master should report to the owners the questions asked and answers given during the interview. In some countries, a fine may be imposed or a cash deposit or security for the fine may be demanded. In either case the Master should urgently contact the owners, managers and/or P&I correspondents.

VI. Other Points to Consider

► A. Accurate and prompt report of the oil pollution incident:

It is imperative to take immediate and appropriate actions at the initial stage in order to minimize damage. With this view, accurate information has to be provided quickly.

► B. Report of accurate quantity of the oil spilled:

Appropriate cleaning and prevention measures depend on the circumstances of the incident and the quantity of the oil which has been spilled. An underestimation of the quantity may result not only a delay in taking necessary steps but also to an expansion of damage. In order to prevent or mitigate damage, it is vital to report the cause of the incident and the type and quantity of the oil spilled as prompt and accurate as possible.

► C. Application of oil dispersants with the prior consent of the relevant authorities:

Use of oil dispersants may be prohibited in certain areas of the world because of local fishermen's objections. Therefore, the Master should ensure that before using oil dispersants the prior consent of the authorities is obtained.

As the dispersants may vary quite a lot in type & composition and the consequences of usage may lead to additional pollution claims, it may be a good idea to minimise their usage & be as cautious as possible.

► D. Preventing secondary incidents such as personal injuries, fire and explosion:

Volatile oil such as gasoline and jet fuel can generate flammable gas and results in a danger of fire or explosion. In the case of spill of this kind of oil, use of fire should immediately be prohibited. The incident should be notified to the relevant authorities and other ships navigating in the vicinity so that they are advised to keep away from the area of the spill.