

U.S. Department of
Homeland Security

United States
Coast Guard



Director
National Pollution Funds Center

4200 Wilson Blvd Stop 7100
Arlington VA 20598-7100
Staff Symbol: Ca
Toll-Free: 1-800-280-7118
Fax: 703-872-6113
Email: ARL-PF-
NPFCCCLAIMSINFO@uscg.mil

5890
March 12, 2013

World Environmental, LLC and USA Environment
ATTN: Charles Hall
210 Spring Hill Drive Ste 155
Spring, TX 77386

RE: N12061-0001

Dear Mr. Hall:

The National Pollution Funds Center (NPFC), in accordance with the Oil Pollution Act (OPA) (33 U.S.C. 2701 et seq.), has determined that \$62,203.97 is compensation for OPA claim number N12061-0001.

This determination is based on an analysis of the information submitted. Please see the attached determination for further details regarding the rationale for this decision.

All costs that are not determined as compensable are considered denied. You may make a written request for reconsideration of this claim. The reconsideration must be received by the NPFC within 60 days of the date of this letter and must include the factual or legal basis of the request for reconsideration, providing any additional support for the claims. Reconsideration will be based upon the information provided and a claim may be reconsidered only once. Disposition of the reconsideration will constitute final agency action. Failure of the NPFC to issue a written decision within 90 days after receipt of a timely request for reconsideration shall, at the option of the claimant, be deemed final agency action. All correspondence should include corresponding claim number.

Mail reconsideration request to:

Director
NPFC CA MS 7100
US COAST GUARD
4200 Wilson Boulevard, Suite 1000
Arlington, VA 20598-7100

If you accept this determination, please sign the enclosed Acceptance / Release Agreement where indicated and return to the above address.

If we do not receive the signed original Acceptance / Release Agreement within 60 days of the date of this letter, the determination is void. If the determination is accepted, an original signature and a valid tax identification number (EIN or SSN) are required for payment. If you are a Claimant that has submitted other claims to the National Pollution Funds Center, you are

required to have a valid Contractor Registration record prior to payment. If you do not, you may register free of charge at www.SAM.gov. Your payment will be mailed or electronically deposited in your account within 60 days of receipt of the Release Agreement.

If you have any questions or would like to discuss the matter, you may contact me at the above address or by phone at 1-800-280-7118.



Eric Bunin
Claims Manager
U.S. Coast Guard
By direction

Enclosures: Claim Summary / Determination
Acceptance / Release Agreement
~~Copy of the Privacy Act~~

Copy:

ACCEPTANCE / RELEASE AGREEMENT

| | |
|---------------------------|--|
| Claim Number: N12061-0001 | Claimant Name: World Environmental, LLC and USA Environment as joint claimants |
|---------------------------|--|

I, the undersigned, ACCEPT this settlement offer of \$62,203.97 as full and final compensation for removal costs arising from the specific claim number identified above. With my signature, I also acknowledge that I accept as final agency action all costs submitted with subject claim that were denied in the determination and for which I received no compensation.

This settlement represents full and final release and satisfaction of the amounts paid from the Oil Spill Liability Trust Fund under the Oil Pollution Act of 1990 for this claim. I hereby assign, transfer, and subrogate to the United States all rights, claims, interest and rights of action, that I may have against any party, person, firm or corporation that may be liable for the amounts paid for which I have been compensated under this claim. I authorize the United States to sue, compromise or settle in my name and the United States fully substituted for me and subrogated to all of my rights arising from and associated with those amounts paid for which I am compensated for with this settlement offer. I warrant that no legal action has been brought regarding this matter and no settlement has been or will be made by me or any person on my behalf with any other party for amounts paid which is the subject of this claim against the Oil Spill Liability Trust Fund (Fund).

This settlement is not an admission of liability by any party.

With my signature, I acknowledge that I accept as final agency action all amounts paid for this claim and amounts denied in the determination for which I received no compensation.

I, the undersigned, agree that, upon acceptance of any compensation from the Fund, I will cooperate fully with the United States in any claim and/or action by the United States against any person or party to recover the compensation. The cooperation shall include, but is not limited to, immediately reimbursing the Fund for any compensation received from any other source for those amounts paid for which the Fund has provided compensation, by providing any documentation, evidence, testimony, and other support, as may be necessary for the United States to recover from any other person or party.

I, the undersigned, certify that to the best of my knowledge and belief the information contained in this claim represents all material facts and is true. I understand that misrepresentation of facts is subject to prosecution under federal law (including, but not limited to 18 U.S.C. §§ 287 and 1001).

| | |
|---|-------------------|
| _____ | _____ |
| Title of Person Signing | Date of Signature |
| _____ | _____ |
| Printed Name of Claimant or Authorized Representative | Signature |

| | |
|-------------------------|-------------------|
| _____ | _____ |
| Title of Witness | Date of Signature |
| _____ | _____ |
| Printed Name of Witness | Signature |

| | | |
|-----------------------|---------------------|---------------------|
| _____ | _____ | _____ |
| *DUNS/EIN/SSN | Bank Routing Number | Bank Account Number |
| *Required for Payment | | |

CLAIM SUMMARY / DETERMINATION

| | |
|--------------------------|---|
| Claim Number: | N12061-0001 |
| Claimant: | World Environmental, LLC and USA Environment as joint claimants |
| Type of Claimant: | Corporate |
| Type of Claim: | Removal Costs |
| Claim Manager: | Eric Bunin |
| Amount Requested: | \$77,012.56 |

INCIDENT FACTS:

On May 31, 2012, the Louisiana Department of Natural Resources (DNR) inspected¹ the oil and gas exploration and production facility owned by TF&B Oil Company LLC (TFB)² in the Little Chenier Oil Field in Cameron Parish, LA. The DNR issued a Compliance Order to TFB on June 25, 2012, which states “that the containment provided around the tankage within the production facility in question contains discharges of Exploration & Production (E&P) Waste which presents a fire hazard.” On July 19, 2012, during the Louisiana Department of Environmental Quality (LDEQ) site visit accompanied by World Environmental LLC (World), the conditions of the pollution resulted in a call to the U.S. Coast Guard (USCG). Once the USCG arrived and inspected the property they became concerned that the oil would discharge to the Mermentau River, a navigable water of the United States. The USCG ordered emergency response activities at that point. TFB is the responsible party (RP) as defined by the Oil Pollution Act of 1990.

CLAIMANT AND CLAIM:

The Claimants are World Environmental LLC (World) and USA Environment (USA). World was hired to research, review documents and prepare for a site visit; develop a Health and Safety Plan; develop a RECAP Work Plan; and conduct site visit for an assessment. Once the USCG ordered emergency response, World hired USA to perform the emergency response/pollution removal operation. Claimants seek reimbursement of the costs related to the environmental site assessment and health and safety plan preparations and the emergency response activities.

APPLICABLE LAW:

Under OPA 90, at 33 USC § 2702(a), responsible parties are liable for removal costs and damages resulting from the discharge of oil into navigable waters and adjoining shorelines, as described in Section 2702(b) of OPA 90. A responsible party’s liability will include “removal costs incurred by any person for acts taken by the person which are consistent with the National Contingency Plan”. 33 USC § 2702(b)(1)(B).

"Oil" is defined in relevant part, at 33 USC § 2701(23), to mean “oil of any kind or in any form, including petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil”.

¹ There were previous inspections in April 2010, June 2010, January 2011, July 2011 and August 2011, which revealed unauthorized discharges from the facility.

² The LA Department of Environmental Quality Compliance Order refers to the owner as T & F Oil Company LLC.

The Oil Spill Liability Trust Fund (OSLTF), which is administered by the NPFC, is available, pursuant to 33 USC §§ 2712(a)(4) and 2713 and the OSLTF claims adjudication regulations at 33 CFR Part 136, to pay claims for uncompensated removal costs that are determined to be consistent with the National Contingency Plan and uncompensated damages. Removal costs are defined as “the costs of removal that are incurred after a discharge of oil has occurred or, in any case in which there is a substantial threat of a discharge of oil, the costs to prevent, minimize, or mitigate oil pollution from an incident”.

Under 33 USC §2713(b)(2) and 33 CFR 136.103(d) no claim against the OSLTF may be approved or certified for payment during the pendency of an action by the claimant in court to recover the same costs that are the subject of the claim. See also, 33 USC §2713(c) and 33 CFR 136.103(c)(2) [claimant election].

33 U.S.C. §2713(d) provides that “If a claim is presented in accordance with this section, including a claim for interim, short-term damages representing less than the full amount of damages to which the claimant ultimately may be entitled, and full and adequate compensation is unavailable, a claim for the uncompensated damages and removal costs may be presented to the Fund.”

Under 33 CFR 136.105(a) and 136.105(e)(6), the claimant bears the burden of providing to the NPFC, all evidence, information, and documentation deemed necessary by the Director, NPFC, to support the claim.

Under 33 CFR 136.105(b) each claim must be in writing, for a sum certain for each category of uncompensated damages or removal costs resulting from an incident. In addition, under 33 CFR 136, the claimant bears the burden to prove the removal actions were reasonable in response to the scope of the oil spill incident, and the NPFC has the authority and responsibility to perform a reasonableness determination. Specifically, under 33 CFR 136.203, “a claimant must establish -

- (a) That the actions taken were necessary to prevent, minimize, or mitigate the effects of the incident;
- (b) That the removal costs were incurred as a result of these actions;
- (c) That the actions taken were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC.”

Under 33 CFR 136.205 “the amount of compensation allowable is the total of uncompensated *reasonable* removal costs of actions taken that were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC. Except in exceptional circumstances, removal *activities* for which costs are being claimed must have been coordinated with the FOSC.” [Emphasis added].

DETERMINATION:

A. Overview:

1. CG MSU Lake Charles personnel provided FOSC coordination.

2. The incident involved the report of a discharge and substantial threat of a discharge of “oil” as defined in OPA 90, 33 U.S.C. § 2701(23), to navigable waters;
3. In accordance with 33 CFR § 136.105(e)(12), the Claimants have certified no suit has been filed in court for the claimed uncompensated removal costs;
4. The claim was submitted within the six-year period of limitations for claims. 33 U.S.C. § 2712(h)(1);
5. The NPFC Claims Manager has thoroughly reviewed all documentation submitted with the claim and determined which removal costs presented were for actions in accordance with the NCP and that the costs for these actions were indeed reasonable and allowable under OPA and 33 CFR § 136.205.

B. Analysis:

The Claims Manager reviewed the invoices and associated other documentation and the Claimants’ rate sheets in support of the uncompensated costs as claimed. The Claims Manager focused on: (1) whether the actions taken were compensable “removal actions” under OPA and its regulations at 33 CFR 136 (e.g., actions to prevent, minimize, mitigate the effects of the incident); (2) whether the costs were incurred as a result of these actions; (3) whether the actions taken were determined by the FOSC, to be consistent with the NCP or directed by the FOSC, and (4) whether the costs were adequately documented and reasonable.

The Claims Manager verified that the FOSC directed the Claimants in the emergency response beginning on July 19, 2012, the same day the incident was reported to the National Response Center (NRC). Although it is evident that the site was historically contaminated by oil waste, the evidence shows that the contamination was not determined to be a substantial threat to navigable waters (i.e. an OPA event) until the USCG arrived, assessed the situation, and then designated it such an incident.

The NPFC finds most of World’s and USA’s costs necessary and reasonable for this response after the USCG instructed the RP to perform the oil removal on July 19, 2012. The emergency response activities after that date were under CG direction. The attached spreadsheets detail the NPFC’s adjudication of the invoices and individual costs within those invoices. The claimed and properly documented costs for emergency response that fall within the Claimants’ published rates were approved. Those emergency response costs that were not supported by documentation or the rate schedules were denied.

Additionally, certain claimed costs are not compensable as removal costs under OPA. The NPFC must deny costs for services performed prior to the CG direction on July 19, 2012, including the costs for planning the site investigation and remedial corrective action to comply with preexisting state orders. As evidenced by the World’s July 2, 2012 letter to TFB providing the RECAP Site Investigation Work Plan proposal, the purpose of the plan described in the scope of work section was to confirm or deny the presence of impacted soil and groundwater to comply with the LDEQ compliance order. In no way do the costs encompass costs to removal oil from or prevent the discharge of oil to the navigable waters of the U.S. The evidence shows that oil pollution removal was not contemplated between the parties until World sent its July 23, 2012 emergency response proposal to TFB and the contract between them executed on July 24, 2012.

As detailed in the spreadsheet adjudication, the total amount denied by the NPFC is \$14,808.59. The Claims Manager hereby determines that the OSLTF should pay the amount of \$62,203.97 as full compensation for the uncompensated removal costs incurred by the Claimants and submitted to the NPFC. The approved costs were incurred by the Claimants for removal actions taken, as defined under OPA and payable by the OSLTF as compensable removal costs.

AMOUNT: \$62,203.97

Claim Supervisor: *Donna Hellberg*

Date of Supervisor's review: *3/12/13*

Supervisor Action: *Approved*

Supervisor's Comments: