

U.S. Department of
Homeland Security

United States
Coast Guard



Director
United States Coast Guard
National Pollution Funds Center

NPFC CA MS 7100
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CERTIFIED MAIL – RETURN RECEIPT REQUESTED
Number: 7011 1150 0000 4636 4964

5890/DWHZ
Claim # N10036-1413
12 October 2011

Alexa Panagos
[REDACTED]

Dear Ms. Panagos:

The National Pollution Funds Center (NPFC), in accordance with the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq. (OPA) and the associated regulations at 33 C.F.R. Part 136, denies payment on the claim number N10036-1413 involving Deepwater Horizon. Please see the attached Claim Summary/Determination Form for further explanation.

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 claim. However, if you find that you will be unable to gather particular information within the time period, you may include a request for an extension of time for a specified duration with your reconsideration request.

Reconsideration of the denial will be based upon the information provided. A claim may be reconsidered only once. Disposition of that reconsideration in writing 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 claim number N10036-1413.

Mail reconsideration requests to:

Director (ca)
NPFC CA MS 7100
US COAST GUARD
4200 Wilson Blvd, Suite 1000
Arlington, VA 20598-7100

Sincerely,

Claims Adjudication Division
National Pollution Funds Center
U.S. Coast Guard

Enclosure: Claim Summary/Determination Form

CLAIM SUMMARY/DETERMINATION FORM

Claim Number	N10036-1413
Claimant	Alexa Panagos
Type of Claimant	Private (US)
Type of Claim	Loss of Profits and Impairment of Earnings Capacity
Amount Requested	\$1,500.00

FACTS

On or about 20 April 2010, the Mobile Offshore Drilling Unit Deepwater Horizon (Deepwater Horizon) exploded and sank in the Gulf of Mexico. As a result of the explosion and sinking, oil was discharged. The Coast Guard designated the source of the discharge and identified BP as a responsible party (RP). BP accepted the designation and advertised its OPA claims process. On 23 August 2010, the Gulf Coast Claims Facility (GCCF) began accepting and adjudicating claims for certain individual and business claims on behalf of BP.

CLAIM AND CLAIMANT

On 14 September 2011, Alexa Panagos (the Claimant) presented a claim to the Oil Spill Liability Trust Fund (OSLTF) for \$1,500.00 for loss of profits and impairment of earnings capacity resulting from the Deepwater Horizon oil spill.

The Claimant is a student and worked at a Subway Sandwich Shop (Subway) near Santa Rosa Beach, Florida, during the summers of 2009 and 2010.¹ She was scheduled to work 40 hours a week but her hours were reduced due the oil spill.² The claim is for the period 01 May through 31 August 2010.³ The Claimant stated that due to the oil spill, the number of visitors to the beach declined and caused a decline in customers at the Subway.⁴

APPLICABLE LAW

Under the Oil Pollution Act of 1990 (OPA), at 33 U.S.C. § 2702(a), responsible parties are liable for removal costs and damages resulting from the discharge of oil into or upon the navigable waters or adjoining shorelines or the exclusive economic zone, as described in Section 2702(b) of OPA.

The OSLTF which is administered by the NPFC, is available, pursuant to 33 U.S.C. § 2712(a)(4) and § 2713 and the OSLTF claims adjudication regulations at 33 C.F.R. Part 136, to pay claims for uncompensated damages. One type of damages available pursuant to 33 C.F.R. § 136.231 is a claim for loss of profits or impairment of earning capacity due to injury to or destruction of natural resources.

Under 33 C.F.R. § 136.233 a claimant must establish the following:

- (a) That real or personal property or natural resources have been injured, destroyed, or lost.

¹ Telephone conversation between the Claimant and NPFC Staff 21 September 2011

² Telephone conversation between the Claimant and NPFC Staff 21 September 2011. The Claimant stated that her hours decreased from an average of 30 -32 hours per week to a low of 15 hours per week.

³ Telephone conversation between the Claimant and NPFC Staff 21 September 2011

⁴ Telephone conversation between the Claimant and NPFC Staff 21 September 2011

- (b) That the claimant's income was reduced as a consequence of injury to, destruction of, or loss of property or natural resources, and the amount of that reduction.
- (c) The amount of the claimant's profits or earnings in comparable periods and during the period when the claimed loss or impairment was suffered, as established by income tax returns, financial statements, and similar documents. In addition, comparative figures for profits or earnings for the same or similar activities outside of the area affected by the incident also must be established.
- (d) Whether alternative employment or business was available and undertaken and, if so, the amount of income received. All income that a claimant received as a result of the incident must be clearly indicated and any saved overhead and other normal expenses not incurred as a result of the incident must be established.

Under 33 C.F.R. § 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 C.F.R. § 136.235, the amount of compensation allowable for a claim involving loss of profits or impairment of earning capacity is limited to the actual net reduction or loss of earnings or profits suffered. Calculations for net reductions or losses must clearly reflect adjustments for—

- (a) All income resulting from the incident;
- (b) All income from alternative employment or business undertaken;
- (c) Potential income from alternative employment or business not undertaken, but reasonably available;
- (d) Any saved overhead or normal expenses not incurred as a result of the incident; and
- (e) State, local, and Federal taxes.

DETERMINATION OF LOSS

Claimant's Submission to the OSLTF

To support this claim, Claimant submitted the following documentation:

- OSLTF Claim Form signed by the Claimant 06 September 2011;
- GCCF Claim Status Sheet dated 08 August 2011;
- E-mail form Claim dated 07 October 2011 provided W-2 information for 2009 and 2010.

On 19 September 2011, the NPFC e-mailed the Claimant a letter requesting additional information in order to further evaluate the claim. On 21 September 2011, the Claimant discussed the letter with NPFC staff via telephone.⁵ The Claimant provided the NPFC with W-2 information for 2009 and 2010 on 07 October 2011.⁶

Before presenting the claim to the NPFC, the Claimant filed an Emergency Advance Payment (EAP) with the GCCF on 03 November 2010 in the amount of \$5,000.00.⁷ The claim was assigned Claimant ID #3344166 and claim #403507. The EAP claim was denied on 08 December 2010.⁸

⁵ Telephone conversation between Claimant and NPFC Staff 21 September 2011

⁶ E-mail form Claim dated 07 October 2011 provided W-2 information for 2009 and 2010. She stated that her W-2s for 2009 and 2010 were in the possession of a parent.

⁷ Report from the GCCF dated 06 October 2011

⁸ GCCF Denial Letter dated 08 December 2010

Based upon the evidence provided by the Claimant, it appears that the subject matter of the GCCF claim is the same as the subject matter of the claim before the NPFC, i.e., Claimant lost earnings as a result of the Deepwater Horizon oil spill. The NPFC deems the GCCF claim to be properly presented to the Responsible Party and to the extent the amount of the claim presented to the Responsible Party is equal to or greater than the amount currently presented to the NPFC, the subject claim is properly presented to the NPFC. Accordingly, this Claim Summary Determination for NPFC Claim N10036-1413 considers and addresses the loss of earnings up to the amount of \$1,500.00 for all claims presented to the Responsible Party, specifically: GCCF Claim #403507 (EAP).

NPFC Determination

Under 33 U.S.C. § 2702(b)(2)(E) and 33 C.F.R. Part 136, a claimant must prove that any loss of income was due to injury or destruction or loss of real or personal property or a natural resource as a result of a discharge or substantial threat of a discharge of oil. Under 33 C.F.R. § 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.

The Claimant stated in an e-mail that her earnings at Subway were \$2,332.00 for September through December of 2009 and \$7,838.00 for January through December of 2010.⁹ The Claimant stated she compared her earnings for 2010 to her earnings for 2009 to determine her loss of earnings.¹⁰ However, she did not provide a detailed explanation of her calculation and did not provide sufficient documentation to establish the amount of her loss of earnings. Furthermore, based on the monthly earnings for the periods cited by the Claimant, it appears that on average she earned more money per month in 2010 (\$653.00) than she did in 2009 (\$583.00).

The Claimant stated that Subway would not provide its employees letters stating that the oil spill caused their reduction in hours worked.¹¹ She stated Subway was concerned about incurring a legal liability.¹² Accordingly, the Claimant did not provide sufficient documentation to show that her loss of earnings, if any, was due to the oil spill.

This claim is denied because the Claimant failed to meet the burden to demonstrate (1) that there was an alleged loss in the amount claimed, and (2) that the alleged loss is due to the injury, destruction or loss of property or natural resources as a result of a discharge or substantial threat of a discharge of oil.

Claim Supervisor: *Claims Adjudication Division*

Date of Supervisor's Review: *12 October 2011*

Supervisor's Action: *Denial approved*

Supervisor's Comments:

⁹ E-mail from Claimant to NPFC Staff dated 07 October 2011.

¹⁰ Telephone conversation between the Claimant and NPFC Staff 21 September 2011

¹¹ Telephone conversation between the Claimant and NPFC Staff 21 September 2011

¹² Telephone conversation between the Claimant and NPFC Staff 21 September 2011