

U.S. Department of
Homeland Security

United States
Coast Guard



Director
United States Coast Guard
National Pollution Funds Center

NPFC CA MS 7100
US COAST GUARD
4200 Wilson Blvd., Suite 1000
Arlington, VA 20598-7100
Staff Symbol: (CA)
Phone: 1-800-280-7118
E-mail: arl-pf-npfcclaimsinfo@uscg.mil
Fax: 202-493-6937

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Number: 7011 1570 0001 4802 7095

5890/DWHZ
Claim # N10036-1523
04 November 2011

Louis V. Ulvano Jr.
[REDACTED]

Re: Claim Number: N10036-1523

Dear Mr. Ulvano Jr:

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 your claim number N10036-1523 involving the Deepwater Horizon oil spill. Please see the enclosed 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. If, however 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 N10036-1523.

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

Enclosures: (1) Claim Summary/Determination Form

CLAIM SUMMARY/DETERMINATION FORM

Claim Number N10036-1523
Claimant Louis V. Ulvano Jr.
Type of Claimant Private (US)
Type of Claim Loss of Profits and Impairment of Earnings Capacity
Amount Requested \$30,000.00

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 certain individual and business claims on behalf of BP.

CLAIM AND CLAIMANT

On 26 October 2011, Louis V. Ulvano Jr. (the Claimant), presented an Optional Oil Spill Liability Trust Fund (OSLTF) Claim Form to the National Pollution Funds Center (NPFC) seeking \$30,000.00 in loss of profits and impairment of earnings capacity that allegedly resulted from the Deepwater Horizon oil spill.

At the time of the Deepwater Horizon oil spill, the Claimant was employed as a server at Sam Seltzer's Restaurant in Tampa, Florida.¹ The Claimant asserts that due to the Deepwater Horizon oil spill, Sam Seltzer's Restaurant went out of business.² As a result, the Claimant asserts he lost his job and subsequently lost income in 2010.³

The claimant did not provide an explanation regarding the calculation of his sum certain of \$30,000.00.

APPLICABLE LAW

The Oil Pollution Act of 1990 (OPA) provides that each responsible party for a vessel or facility from which oil is discharged into or upon the navigable waters or adjoining shorelines or exclusive economic zone is liable for removal costs and damages. 33 U.S.C. § 2702(a). Damages include the loss of profits or impairment of earning capacity due to the injury, destruction or loss of real property, personal property, or natural resources, which shall be recoverable by any claimant. 33 U.S.C. §2702(b)(2)(E).

The OSLTF, which is administered by the NPFC, is available to pay claims for uncompensated damages pursuant to 33 U.S.C. § 2712(a)(4) and § 2713 and the OSLTF claims adjudication regulations at 33 C.F.R. Part 136. With certain exceptions a claim must first be presented to the responsible party. 33 U.S.C. § 2713(a). If the claim is either denied or not settled by any person by payment within 90 days after the date on which it was presented, the claimant may elect to commence an action in court or present the claim to the OSLTF. 33 U.S.C. § 2713(c).

Pursuant to the claims regulations, 33 C.F.R. § 136.233, a claimant must establish the following to prove loss of profits or impairment of earning capacity:

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

¹ Letter from the Claimant describing his claim.

² Letter from the Claimant describing his claim.

³ Letter from the Claimant describing his claim.

- (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 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, destruction or loss of real or personal property or of 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.

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

The Claimant's Submission to the OSLTF

In support of his claim, the Claimant presented the following documentation to the NPFC:

- Optional OSLTF Claim Form received 26 October 2011;
- Internal Revenue Service Tax Return Transcript for tax period ending 31 December 2008;
- Internal Revenue Service Tax Return Transcript for tax period ending 31 December 2009;
- Pay stub dated 15 July 2011;
- 2010 Form 1040 Federal Tax Return [incomplete];
- Letter from the Claimant describing his claim;
- Letter from Tou Vongprachanh dated 14 September 2011;
- Mapquest maps for location 4744 N. Dale Mabry Highway, Tampa, Florida 33614-6509.

Prior to presenting this Claim to the NPFC, the Claimant filed an Interim Payment Claim Quarter III 2011 (ICQ32011) with the GCCF.⁴ The Claimant was assigned Claimant ID # 3534918 and Claim ID # 9428795. The ICQ32011 was denied on 28 September 2011.⁵

Based upon the evidence provided by the Claimant, it appears that the subject matter for the Claimant's GCCF claim is the same as the subject matter of Claimant's claim before the NPFC, i.e., that due to the Deepwater Horizon oil spill, the restaurant the Claimant worked for went out of business, and as a result the Claimant lost his job. The NPFC deems the Claimant's GCCF claim to be properly presented to the RP and properly presented to the NPFC. Accordingly, this Claim Summary Determination for NPFC

⁴ GCCF Claimant Status page.

⁵ GCCF Denial Letter dated 28 September 2011.

Claim N10036-1523 considers and addresses the earnings claimed in the claim presented to the responsible party specifically; GCCF Claim # 9428795.

NPFC Determination

The claim is denied. 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 NPFC considered all documentation presented by the Claimant.

The claim is denied because the Claimant failed to prove that the alleged loss in the amount of \$30,000.00 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.

The Claimant asserted that he lost his job after the restaurant he worked for, Sam Seltzer's Restaurant, went out of business due to the Deepwater Horizon oil spill.⁶ The Claimant, however, failed to provide evidence that Sam Seltzer's Restaurant closed due to the Deepwater Horizon oil spill. Moreover, Sam Seltzer's Steakhouses had shown signs of faltering business in the years prior to the Deepwater Horizon oil spill. In 2008, the company filed for Chapter 11 Bankruptcy and only emerged out of it in 2010.⁷ Nevertheless, in May 2010, the entire chain of Sam Seltzer's Steakhouses went out of business for reasons unrelated to the Deepwater Horizon oil spill. According to the former Chief Executive, John Mountford, the reasons Sam Seltzer's closed its business were, "[d]ue to increased economic pressure, an unstable restaurant environment and the inability to source reasonable funding, we are being forced to cease operations."⁸ Importantly, the Deepwater Horizon oil spill and any effects stemming from it were not included as reasons for closing Sam Seltzer's Steakhouses.

This claim is denied because the Claimant failed to meet his burden to demonstrate 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: *NPFC Claims Adjudication Division*

Date of Review: *11/4/11*

Supervisor's Actions: *Denial approved*

Supervisor's Comments:

⁶ Letter from the Claimant describing his claim.

⁷ <http://www.nrn.com/article/sam-seltzer%E2%80%99s-regional-steak-chain-files-bankruptcy> (last accessed 03 November 2011) and <http://www.tampabay.com/news/business/retail/sam-seltzers-steakhouse-chain-goes-out-of-business/1095552> (last accessed 03 November 2011).

⁸ <http://www.tampabay.com/news/business/retail/sam-seltzers-steakhouse-chain-goes-out-of-business/1095552> (last accessed 03 November 2011).