

U.S. Department of
Homeland Security

**United States
Coast Guard**



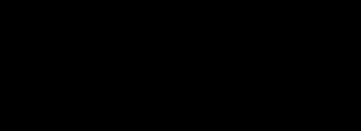
Director
National Pollution Funds Center
United States Coast Guard

NPFC CA MS 7100
US COAST GUARD
4200 Wilson Blvd. Suite 1000
Arlington, VA 20598-7100
Staff Symbol: (CA)
Phone: 800-280-7118
E-mail: arl-pf-npfcclaimsinfo@uscg.mil
Fax: 703-872-6113

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
Number: 7010 0780 0001 8634 2395

5890/DWHZ
13 November 2013

Ms. Janice Moree



Re: Claim Number: N10036-2006

Dear Mr. Buras:

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 N10036-2006 involving the Deepwater Horizon oil spill. 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 N10036-2006.

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

CLAIM SUMMARY/DETERMINATION FORM

Claim Number	N10036-2006
Claimant	Ms. Janice Moree
Type of Claimant	Private (US)
Type of Claim	Loss of Profits or Impairment of Earning Capacity
Amount Requested	\$232,777.50

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 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.

On 08 March 2012, the United States District Court, Eastern District of Louisiana issued a "Transition Order" (TO) limiting the GCCF's ability to accept, process, or pay claims except as provided in that order. The TO created a Transition Process (TP) to facilitate the transition of the claims process from the GCCF to a proposed Court Supervised Settlement Program (CSSP). The Court granted Preliminary Approval of the proposed settlement agreement on 02 May 2012, and the CSSP began processing claims on 04 June 2012.

CLAIM AND CLAIMANT

On 23 October 2013, Mr. Daniel Buras, Jr. submitted a claim for his client, Ms. Janice Moree ("Claimant") to the Oil Spill Liability Trust Fund (OSLTF) seeking \$232,777.50 in loss of profits or impairment of earning capacity damages allegedly resulting from the Deepwater Horizon oil spill.¹

At the time of the oil spill, the Claimant was a commercial shrimper whose primary work was located in Pear River, LA. The Claimant states her business was devastated by the spill due to elevated costs and low dock sale prices as a result. The Claimant states that since the shrimping zones were closed until June 2010, and then again in July until September 2010, she only had access to zones that were less abundant. Additionally, the Claimant's vessel, the F/V Honey Sucker, could not travel through the marshes to reach Breton or Chandler Sounds (which were open and where the Claimant states she usually shrimped) because it was too large. By the time the Claimant could fully operate once more, she states that customers had lost confidence in the safety of Gulf shrimp, and prices plummeted.²

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

¹ Claim Submission for the US District Court for the Eastern District of Louisiana.

² Interim Claimant Form for Claimant, Page 8.

water, adjoining shorelines, or the exclusive economic zone of the United States, as described in § 2702(b) of OPA.

The OSLTF 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. 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;
- (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; and
- (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.

Under 33 U.S.C. § 2712(f), payment of any claim or obligation by the Fund under OPA shall be subject to the United States Government acquiring, by subrogation, all rights of the claimant or State to recover from the responsible party.

DETERMINATION OF LOSS

Claimant's Submission to the NPFC

The Claimant submitted the following documentation in support of this claim:

- Claim Submission for the US District Court for the Eastern District of Louisiana;
- GCCF Claim Submission Forms;
- Copies of checks paid to Claimant for services received;
- Copies of receipts/invoices between the Claimant and her customers;
- 2008 Federal Tax Return for Claimant;
- 2007 Federal Tax Return for Claimant;
- Vessel Certification document for Claimant's vessel, the F/V Honey Sucker;
- 2009 LDWF Fishing Licenses for Claimant;
- GCCF Interim Payment Claim Form for Claimant;
- Copy of LA State Driver's License for Claimant;
- Explanation of Claim letter written by the Claimant;
- Copies of Trip Tickets for Claimant, 2010;
- 2009 Federal Tax Return for Claimant;
- 2010 Federal Tax Return for Claimant;
- 2009 LA State Tax Return for Claimant;
- 2008 LA State Tax Return for Claimant;
- Internal Expense Overview 2009-2010 for Claimant;
- Internal Calculation of Loss in Revenue sheet for Claimant.

Prior to submitting this claim to the NPFC, the Claimant attempted to recover loss of profits or impairment of earning capacity damages through the GCCF. The GCCF denied payment due to lack of documentation to support that the loss of income was due to the oil spill.³

Evidence in this claim submission indicates that the Claimant is a member of the Deepwater Horizon Economic and Property Damage Class Action Settlement (E&PD Settlement).⁴

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, 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 all evidence, information, and documentation deemed necessary by the Director, NPFC, to support the claim.

As an initial matter, it appears that the Claimant is a member of the E&PD Settlement Class. This claim is therefore considered to have been settled, and the Claimant is ineligible to recover funds from the OSLTF. According to OPA, the payment of any claim by the NPFC is subject to the NPFC's ability to obtain, by subrogation, the rights to recover all costs and damages from the responsible party. If a claim has been settled, the claimant no longer has rights to the claim and therefore cannot subrogate the NPFC to those rights.

While this claim may not have been quantified or paid, it is considered to have been settled by virtue of the Court's preliminary approval of the settlement agreement. If the Claimant disagrees

³See GCCF Denial Letter, 19 March 2013.

⁴At the time of the spill, the Claimant was living within the economic settlement loss zones. Additionally, claimant provides documentation to show it was located in Economic Loss Zone D.

that he is a member of the economic damages class of the E&PD Settlement, he should submit evidence to indicate that he has either opted out or is excluded from the E&PD Settlement in his request for reconsideration of this claim.

Furthermore, even if the Claimant was not included in the Settlement Class, this claim is also denied on its merits. In order to prove a claim for loss of profits or impairment of earning capacity damages, a claimant must provide evidence sufficient to prove (1) that the claimant sustained a loss or reduction in income, and (2) that the loss was caused by damage to real or personal property or natural resources caused by the discharge of oil during the Deepwater Horizon oil spill.

The Claimant alleged that, as a result of the oil spill, she lost revenue and saw increased product costs and decreased dock costs. However, just because there were restrictions in the Gulf does not mean that a compensable loss occurred. The Claimant bases her claim on averages of her June 2010 Trip Ticket sales but does not provide Trip Ticket sales for any years prior or after in order to show comparables as required by the claims regulations set forth at 33 CFR 136.233(c). By the Claimants own admission, the zones in which she usually shrimped were open, but she was "unable to travel through the marshes" to get to them. As a result, she shrimped in other zones which the Claimant asserts were not typically as fruitful as where she normally operated. Again, without comparables, there is no way for the NPFC to determine whether damages or a loss in revenues for 2010 and 2011 occurred as a direct result of the oil spill.

It should be noted that, based on the tax returns for the Claimant's business (1040 Schedule C for Tax Years 2007-2010), the Claimant shows she earned almost double (or greater) in 2010 than in comparison to any year 2007-2009:

2010: \$71,989.00
2009: \$36,859.00
2008: \$27,615.00
2007: \$30,756.00

Based on the foregoing, this claim is denied because the Claimant has failed to provide evidence sufficient to prove (1) that she sustained a financial loss in the amount of \$232,777.50, or (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 discharge of oil. Additionally, this claim is considered to have been settled by virtue of the Claimant belonging to the E&PD Settlement.

Claim Supervisor:  *Adjudication Division*

Date of Supervisor's Review: *11/13/13*

Supervisor's Action: *Denial approved*

Supervisor's Comments: