



Oil Spill Liability Trust Fund Disbursements for FY 2015

Report to Congress
October 4, 2016



U. S. Coast Guard

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Foreword

October 4, 2016

I am pleased to present the following report, “Oil Spill Liability Trust Fund Disbursements for FY 2015,” which has been prepared by the U.S. Coast Guard.

The *Coast Guard Authorization Act of 2010* (Pub. L. No. 111-281 § 708) directs the Commandant to submit the list of disbursements of \$250,000 or more from the Oil Spill Liability Trust Fund (OSLTF) and a description of how such funds were used.

Pursuant to Congressional requirements, this report is being provided to the following members of Congress:

The Honorable John Thune
Chairman, Senate Committee on Commerce, Science, and Transportation

The Honorable Bill Nelson
Ranking Member, Senate Committee on Commerce, Science, and Transportation

The Honorable Bill Shuster
Chairman, House Committee on Transportation and Infrastructure

The Honorable Peter DeFazio
Ranking Member, House Committee on Transportation and Infrastructure.

I am happy to answer any further questions you may have, or your staff may contact my Senate Liaison Office at (202) 224-2913 or House Liaison Office at (202) 225-4775.

Sincerely,

A handwritten signature in blue ink that reads "Paul F. Zukunft". The signature is written in a cursive style with a large, looped initial "P".

Paul F. Zukunft
Admiral, U. S. Coast Guard
Commandant





Oil Spill Liability Trust Fund Disbursements for FY 2015

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I. Legislative Language

This report responds to the language set forth in the *Coast Guard Authorization Act of 2010* (Pub. L. No. 111-281 § 708), which requests a list of disbursements of \$250,000 or more from the OSLTF and a description of how such funds were used per the following:

SEC. 708. USE OF OIL SPILL LIABILITY TRUST FUND.

(b) AUDITS; ANNUAL REPORTS.—Section 1012 of the *Oil Pollution Act of 1990* (33 U.S.C. 2712) is amended—

...

(2) by adding at the end thereof the following:

__“(1) REPORTS.—

__“(1) IN GENERAL. —Within one year after the date of enactment of the Coast Guard Authorization Act of 2010, and annually thereafter, the President, through the Secretary of the Department in which the Coast Guard is operating, shall –

__“(A) provide a report on disbursements for the preceding fiscal year from the Fund, regardless of whether those disbursements were subject to annual appropriations, to –

__“(i) the Senate Committee on Commerce, Science, and Transportation; and

__“(ii) the House of Representatives Committee on Transportation and Infrastructure; and

__“(B) make the report available to the public on the National Pollution Funds Center Internet website.

__“(2) CONTENTS.—The report shall include—

__“(A) a list of each disbursement of \$250,000 or more from the Fund during the preceding fiscal year; and

__“(B) a description of how each such use meets the requirements of subsection (a).

__“(3) AGENCY RECORDKEEPING.—Each Federal agency that receives amounts from the Fund shall maintain records describing the purpose for which such funds were obligated or expended in such detail as the Secretary may require for purposes of the report required under paragraph (1).”.

II. Background

This report is the sixth submission of disbursements from the OSLTF. The report addresses disbursements from the OSLTF of \$250,000 or more during FY 2015 and how each use meets the requirements of Section 1012 (a) of the *Oil Pollution Act of 1990* (OPA). Section III of this report provides the pollution incident spill-specific disbursements reported by the Department of Homeland Security/Coast Guard's National Pollution Funds Center (NPFC). Sections IV through VII provide detail for annual Congressional Appropriations derived from the OSLTF. These figures presented reflect data provided by the Department of Transportation (DOT), the Department of the Interior (DOI), the Environmental Protection Agency (EPA), and the Coast Guard.

The OSLTF is the federal funding source for oil pollution prevention, response, and compensation under the OPA. The OSLTF is also a source of annual appropriations to federal agencies responsible for implementing, administering, and enforcing various oil pollution prevention programs under OPA and section 311 of the *Federal Water Pollution Control Act* (FWPCA).

As each reporting agency's accounting structure differs, the supporting tables in each section are not uniform. Nonetheless, each reporting agency affirms the accuracy of the information displayed.

III. OSLTF Disbursements for Pollution Incidents

- a. Oil Removal Disbursements – OPA section 1012(a)(1) provides for use of the Fund for the payment of oil removal costs by federal authorities. OPA section 6002(b) makes up to \$50 million available annually to carry out federal oil removal under section 311(c) of the FWPCA and to initiate the assessment of natural resource damages. Amounts are available until expended and are administered by the NPFC. NPFC provides funding to EPA and Coast Guard Federal On-Scene Coordinators (FOSCs) acting under FWPCA section 311(c) authority. FOSCs coordinate agency removal actions through contracts with commercial entities and interagency agreements with federal, state, and local response partners. Table 1 includes all OSLTF removal disbursements greater than or equal to \$250,000 for FY 2015. To avoid the double counting of removal disbursements, the figures reported below are not included in the data provided by the recipient agencies.

Table 1: Oil Removal Disbursements for FY 2015

Case Name - Federal Project Number	Recipient of Funds	Amount of Expenditure	Description of Funds Use
DEEPWATER HORIZON - N10036	Department of the Interior (FWS)	\$13,892,325.91	Removal Cost - OPA 1012(a)(1)
DEEPWATER HORIZON - N10036	U.S. Geological Service (USGS)	\$3,552,502.55	Removal Cost - OPA 1012(a)(1)
DEEPWATER HORIZON - N10036	Department of the Interior (NPS)	\$1,910,648.05	Removal Cost - OPA 1012(a)(1)
DEEPWATER HORIZON - N10036	Department of Commerce (NOAA)	\$1,010,141.91	Removal Cost - OPA 1012(a)(1)
DEEPWATER HORIZON - N10036	Louisiana State Police Department	\$884,673.55	Removal Cost - OPA 1012(a)(1)
OIL WELL SN 65082 - E14605	Environmental Protection Agency (EPA)	\$1,842,107.84	Removal Cost - OPA 1012(a)(1)
TANK TRUCK - E15001	Environmental Protection Agency (EPA)	\$807,746.91	Removal Cost - OPA 1012(a)(1)
BEAVER CREEK CRUDE - E14459	Environmental Protection Agency (EPA)	\$798,458.96	Removal Cost - OPA 1012(a)(1)
KIRBY 27706 - N14026	Department of the Interior (FWS)	\$550,000.00	Removal Cost - OPA 1012(a)(1)
ORANGE GROVE #1 - N15014	Environmental Safety & Health Consulting Services, Inc.	\$442,157.63	Removal Cost - OPA 1012(a)(1)
CAPT. LE - N14045	United States Environmental Service, LLC.	\$436,984.05	Removal Cost - OPA 1012(a)(1)
ENBRIDGE ENERGY - E10527	U.S. Geological Service (USGS)	\$374,124.04	Removal Cost - OPA 1012(a)(1)
ENBRIDGE ENERGY - E10527	Department of the Interior (FWS)	\$319,689.13	Removal Cost - OPA 1012(a)(1)
Line 901 Pipeline - A15018	Ocean Blue Environmental Services, Inc.	\$263,345.94	Removal Cost - OPA 1012(a)(1)
EPA FOSC Inland Zone Cases	EPA Reimbursement -- for EPA FOSC Managed Cases	\$14,849,125.25	Removal Cost - OPA 1012(a)(1)
	Total	\$41,934,031.72	

- b. Claims Payments – Section 1012(a)(4) of OPA provides that funds shall be available from the OSLTF for the payment of claims in accordance with OPA section 1013 for uncompensated removal costs or uncompensated damages. Table 2 includes all OSLTF claims disbursements greater than or equal to \$250,000 for FY 2015.

Table 2: OSLTF claims disbursements greater than or equal to \$250,000 for FY 2015

Case Name - Federal Project Number	Recipient of Funds	Amount of Expenditure	Description of Funds Use
Mystery - N14034	Apache Corporation (47868)	\$1,659,219.55	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Acquisition Services Directorate NA (DOI)	\$16,904,235.00	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Acquisition Services Directorate NA (DOI)	\$1,967,560.00	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Acquisition Services Directorate NA (DOI)	\$1,026,261.00	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Department of Commerce (NOAA)	\$72,541,800.00	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Department of Commerce (NOAA)	\$28,994,300.00	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Environmental Protection Agency (EPA)	\$2,056,000.00	Claim Payment - OPA 1012(a)(4)
DEEPWATER HORIZON - N10036	Environmental Protection Agency (EPA)	\$679,000.00	Claim Payment - OPA 1012(a)(4)
M/V SELENDANG AYU - J05003	Keesal Young and Logan (6021)	\$549,371.17	Claim Payment - OPA 1012(a)(4)
	Total:	\$126,377,746.72	

- c. Initiate Payments - NPFC also provides funding from these available amounts as authorized by OPA 1012(a)(2) to federal, state, or tribal trustees that initiate natural resource damage assessments. There are no disbursements of \$250,000 or more, for initiation of natural resource damage assessments, to report for FY 2015.

IV. Pipeline and Hazardous Materials Safety Administration Disbursements

In FY 2015 DOT's Pipeline and Hazardous Materials Safety Administration (PHMSA) received \$18,573,000 from the OSLTF, as authorized by section 1012(a) (5) of OPA. Table 3 includes all OSLTF disbursements greater than or equal to \$250,000 for FY 2015.

Table 3: PHMSA OSLTF disbursements greater than or equal to \$250,000 for FY 2015

Recipient of Funds	Amount of Expenditure	Description of Funds Use
NEW YORK PUBLIC SERVICE COMMIS 1	\$1,321,975.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CALIFORNIA ST FIRE MARSHAL	\$938,663.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
TEXAS RAILROAD COMMISSION	\$721,771.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CYCLA CORP	\$679,171.24	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$628,039.55	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$615,311.26	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$466,284.15	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$463,373.95	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$452,960.72	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
TEXAS RAILROAD COMMISSION	\$431,012.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
TEXAS RAILROAD COMMISSION	\$394,713.00	For reimbursement to pipeline safety state partners for carrying out inspection and enforcement activities.
CYCLA CORP	\$374,203.47	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$321,733.17	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
CYCLA CORP	\$320,984.46	To support integration for inspection, strategy performance management, enforcement, operator qualifications and other statutory issues.
Total	\$8,130,195.97	

V. Bureau of Safety and Environmental Enforcement Disbursements

In FY 2015, the DOI's Bureau of Safety and Environmental Enforcement (BSEE) received \$14,899,000 from the OSLTF, as authorized by section 1012(a)(5) of OPA. Table 4 includes all OSLTF disbursements greater than or equal to \$250,000 for FY 2015.

Table 4: BSEE OSLTF disbursements greater than or equal to \$250,000 for FY 2015

Recipient of Funds	Amount of Expenditure	Description of Funds Use
Oil Spill Response Research (Contracts)	\$216,499.00	<u>BSEE's use of Oil Spill Liability Trust Funds (OSLTF):</u> The OSLTF disbursements to BSEE for FY 2015 meet the requirements authorized under section 1012(a)(5) of the Oil Pollution Act (OPA) of 1990 (33 USC 2712(a)(5)). The use of the funds under section 1012 (a)(5) are for Federal administrative, operations, and personnel costs and expenses reasonably necessary for and incidental to the implementation, administration, and enforcement of OPA. BSEE's use of OSLTF includes Oil Pollution Research, operation and maintenance of Ohmsett, regulation and enforcement of oil spill response plans, and personnel costs.
Ohmsett - National Oil Spill Response Research Test Facility* (Contracts)	\$1,705,198.00	
Oil Spill Response Division - All Regions & Units (Salary)	\$2,018,628.00	
Total	\$ 3,940,325.00	

VI. Environmental Protection Agency

In FY 2015, EPA received \$18,209,000 from the OSLTF as authorized by section 1012(a)(5) of OPA. The EPA had no OSLTF disbursements greater than or equal to \$250,000 to report for FY 2015.

VII. Coast Guard Disbursements

The Department of Homeland Security-United States Coast Guard receives funding derived from the OSLTF in three different appropriations: Research, Development, Test and Evaluation (RDT&E), Acquisition, Construction, and Improvement (AC&I), and Operating Expenses (OE).

- a. RDT&E - \$500,000 in RDT&E funds were derived from the OSLTF to be executed in accordance with section 7001(c) of OPA. For FY 2015, there were no disbursements greater than or equal to \$250,000 from the RDT&E appropriation.

- b. AC&I – \$20,000,000 in AC&I funds were derived from the OSLTF for the costs of assets for administering and enforcing OPA and subsections (b), (c), (d), (j), and (l) of section 311 of the FWPCA with respect to prevention, removal, and enforcement related to oil discharges. The OSLTF funding augments the full appropriation and was not intended to completely fund the Marine and Environmental Protection (MEP) mission. An allocation methodology was used to determine the amount of the FY2015 AC&I funds that benefitted the provisions of OPA. MEP activities are the category of Coast Guard operations that directly supports OPA. Table 5 below includes an allocation of OSLTF disbursements greater than or equal to \$250,000 for FY 2015.

Table 5: Coast Guard AC&I Disbursements greater than or equal to \$250,000 from OSLTF for FY 2015

Recipient of Funds	Transaction Type	Amount of Expenditure	Description of Funds Use
Aircraft	H-65 Conversion and Sustainment Projects	\$5,320,000.00	Maritime Pollution Enforcement and Response – Visual surveillance and the C4ISR suite on the H-65 will be employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil-covered water.
Aircraft	HC-130J Acquisition/Conversion/ Sustainment Projects	\$3,380,000.00	Maritime Pollution Enforcement and Response – Visual surveillance and the side-looking radar on the HC-130 are employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil-covered water due to the dampening effect of oil on small wind generated waves, while the Electro-optical/Infrared sensor can detect the small temperature variations between clear and oil-covered water.
Other	C4ISR	\$2,300,000.00	Maritime Pollution Enforcement and Response - C4ISR is the eyes, ears and cognitive recognition system allowing the Coast Guard to see, hear, comprehend and communicate what is happening in maritime regions. This is accomplished using modern electronic components, such as interoperable radio and satellite communication systems and improved optical/radar sensors, that can improve sightings in total darkness and detect maritime targets in all weather conditions.
Personnel & Related Support	Direct Personnel	\$1,740,000.00	The payment of Federal administrative and personnel costs and expenses reasonably necessary for and incidental to the implementation, administration, and enforcement of the act.
Vessel & Critical Infrastructure	In-Service Vessel Sustainment	\$1,500,000.00	Maritime Pollution Enforcement and Response –The In-Service Vessel Sustainment work includes replacement of major equipment that degrades the operational readiness classes of cutters. This work improved the CG's ability to minimize damage caused by oil released into navigable waters, and overcome or reduce threats to the marine environment caused by potential spills of oil.
Aircraft	HC-27J Conversion/ Sustainment Project	\$1,300,000.00	Maritime Pollution Enforcement and Response – In conjunction with visual surveillance, the HC-27J suite can be employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil covered water.

Recipient of Funds	Transaction Type	Amount of Expenditure	Description of Funds Use
Aircraft	HC-144 Conversion and Sustainment Projects	\$900,000.00	Maritime Pollution Enforcement and Response – In conjunction with visual surveillance, the HC-144A C4ISR suite can be employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil covered water.
Other	Government Program Management	\$800,000.00	The payment of Federal administrative and personnel costs and expenses reasonably necessary for and incidental to the implementation, administration, and enforcement of the act.
Shore Facilities & ATON	Shore Infrastructure Survey & Design	\$740,000.00	Funding will provide in-house capability for planning and engineering studies, project design, master plans, appraisals, real property requirements and other architectural/engineering efforts. Completing proper planning and design helps to ensure AC&I projects are properly assessed, planned and prioritized prior to seeking project appropriations. The projects supported by this request contribute to the long range plans and directly support operational units charged with prevention of, and response to, marine pollution.
Aircraft	MH-60	\$660,000.00	Maritime Pollution Enforcement and Response – In conjunction with visual surveillance, the MH-60 C4ISR suite can be employed to monitor and map oil-covered water surfaces. The suite can detect differences in backscatter between water and oil covered water.
Shore Facilities & ATON	Major Shore, ATON and S&D	\$600,000.00	Funding will provide in-house capability for planning and engineering studies, project design, master plans, appraisals, real property requirements and other architectural/engineering efforts. Completing proper planning and design helps to ensure AC&I projects are properly assessed, planned and prioritized prior to seeking project appropriations. The projects supported by this request contribute to the long range plans and directly support operational units charged with prevention of, and response to, marine pollution.
Other	CG LIMS - DW Logistics Support	\$340,000.00	Maritime Pollution Enforcement and Response -CG-LIMS Acquisition Project will acquire a centrally managed, integrated, enterprise-wide logistics information management system to support U.S. Coast Guard assets and systems. Support will be provided for aircraft, cutters, boats, shore facilities and Command, Control, Communications, Computers and Information Technology (C4IT) systems.
Total		\$ 19,580,000.00	

- c. OE - The Coast Guard OE Appropriation received \$24,500,000 from the OSLTF in FY 2015. The funds were used for administrative, operational and personnel costs and expenses of administering and enforcing OPA and subsections (b), (c), (d), (j), and (l) of section 311 of the FWPCA with respect to prevention, removal, and enforcement related to oil discharges. The Coast Guard budgets by appropriation rather than individual missions and the MEP mission encompasses these activities. To estimate mission costs the Coast Guard projects resource allocations by mission using an activity-based costing system. Table 6 includes an allocation of OSLTF disbursements greater than or equal to \$250,000 for 2015.

Table 6: Coast Guard Operating Expense Disbursements greater than or equal to \$250,000 from OSLTF for FY 2015

Recipient of Funds	Amount of Expenditure	Description of Funds Use
COAST GUARD OE - <i>Enforcement</i>	\$1,897,000.00	Report activities directed at prevention of discharge of oil and activities directed at enforcement of marine environmental protection laws (excluding MARPOL agreements - non-OPA activity).
COAST GUARD OE - <i>Preparedness</i>	\$2,174,000.00	Report activities directed at readiness related to the discharge of oil and activities directed at responding to marine environmental protection laws.
COAST GUARD OE - <i>Pollution Investigation</i>	\$2,001,000.00	Report activities directed at investigating the discharge of oil and activities directed at responding to marine environmental protection laws.
COAST GUARD OE - <i>Response</i>	\$10,018,000.00	Report activities which endeavor to minimize the damage caused by oil discharged in the marine environment by providing coordinated action in response to discharge or substantial discharge of oil into U.S. waters
COAST GUARD OE - <i>Recovery</i>	\$8,410,000.00	Report activities directed at abatement of discharged oil to marine environmental protection laws by Coast Guard personnel.
Total	\$ 24,500,000.00	