

CLAIM SUMMARY / DETERMINATION FORM

Date	: 4/6/2010
Claim Number	: 910080-001
Claimant	: State of New Jersey
Type of Claimant	: State
Type of Claim	: Removal Costs
Claim Manager	: ██████████
Amount Requested	: \$15,085.14

FACTS:

- 1. *Oil Spill Incident:*** On April 19, 2009, Union County Office of Emergency Management (UCOEM) requested assistance from New Jersey Bureau of Emergency Response (BER) with an unknown amber liquid that was discharging into the Garwood Brook in Garwood, Union County. ██████████ of UCOEM reported to BER-1 that the material was collecting behind sorbent booms and requested their assistance. During the investigation into the source of the spill it was thought that the material was originating from two 55-gallon drums of cooking oil from a nearby restaurant. After a complete investigation, it was determined the liquid was a petroleum-based light weight motor oil coming from an unknown source. Subsequently, ██████████ of BER responded to assist with the response. The incident was reported to the National Response Center (NRC) on April 19, 2009 via report # 903189.
- 2. *Description of Removal Actions:*** BER confirmed an amber colored liquid was collecting behind sorbent booms deployed by UCOEM. Although the sorbent booms were collecting the liquid, the material did not have the characteristic odor of heating oil or diesel fuel. After completing a leak path analysis and confirming the liquid was not discharging from a nearby restaurant, it was determined by chemical screening that the liquid was petroleum-based light weight motor oil. At 1015 hours BER Supervisor ██████████ was advised of the investigation results and authorized \$15,000.00 of State Spill Fund monies to handle the response. At 1030 hours the claimant contacted Environmental Products & Services (EPS) for response and they arrived at 1200 hours.

The contractor deployed additional sorbent material within the brook to contain and collect the oil. All collected oil was recovered with sorbent pads. All waste materials were transported to a disposal facility for storage pending final disposal.
- 3. *The Claim:*** The NJ BER submitted a removal cost claim to the National Pollution Funds Center (NPFC), for reimbursement of their uncompensated removal costs associated with this incident in the amount of \$15,085.14. The claim consisted of invoices, proof of payment, BER Report, NRC Report, contractor dailies, EPA FOSC Coordination Letter Region 2 dated October 6, 2009, BER Emergency Work Authorization, contractor rate schedule, photographs, and Disposal Manifest.

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".

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 OF LOSS:

A. Overview:

1. USEPA provided FOSC coordination via a letter dated October 6, 2009.
2. The incident involved the 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 claimant has certified no suit has been filed in court for the claimed uncompensated removal costs.
4. The claim was submitted on time.
5. The NPFC Claims Manager has thoroughly reviewed all documentation submitted with the claim and determined that the majority of the 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:

NPFC CA reviewed the actual cost invoices and dailies to confirm that the claimant had incurred all costs claimed. The review focused on: (1) whether the actions taken were compensable “removal actions” under OPA and the claims 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 validated the costs incurred and determined they were reasonable and necessary and performed in accordance with the National Contingency Plan (NCP). The NPFC has denied \$2,033.43 which is the State of New Jersey indirect cost associated with the OMB A-87 agreed rate. The NPFC has allowed the 23% derived figure for the state’s labor category although we cannot approve the unsubstantiated indirect cost charged over above the initial 23% as this is considered an improper use of the OSLTF. See 33 CFR §136.105(e)(6).

On that basis, the Claims Manager hereby determines that the claimant did in fact incur \$13,051.71 of uncompensated removal costs in order to remove and further mitigate the substantial threat of discharge and that that amount is properly payable by the OSLTF as full compensation for the reimbursable removal costs incurred by the claimant and submitted to the NPFC under claim #910080-001. The claimant states that all costs claimed are for uncompensated removal costs incurred by the claimant for this incident on April 19, 2009. The claimant represents that all costs paid by the claimant are compensable removal costs, payable by the OSLTF as presented by the claimant.

C. Determined Amount:

The NPFC hereby determines that the OSLTF will pay \$13,051.71 as full compensation for the reimbursable removal costs incurred by the claimant and submitted to the NPFC under claim 910080-001. All costs claimed are for charges paid for by the claimant for removal actions as that term is defined in OPA and, are compensable removal costs, payable by the OSLTF as presented by the Claimant.

AMOUNT: \$13,051.71

Claim Supervisor: [REDACTED]

Date of Supervisor's review: *4/8/10*

Supervisor Action: *Approved*

Supervisor's Comments: