

CLAIM SUMMARY / DETERMINATION FORM

Date	: 5/10/2010
Claim Number	: 910095-001
Claimant	: NRC Environmental Services Inc
Type of Claimant	: OSRO
Type of Claim	: Removal Costs
Claim Manager	: ██████████
Amount Requested	: \$7,519.20

FACTS:

1. ***Oil Spill Incident:*** On January 8, 2010, while trying to enter Ventura Harbor in Santa Barbara, CA, the M/V Saigon I experienced unexpected wave conditions, which caused the vessel to beach and release a small amount of petroleum product. Additionally, the vessel contained approximately 300 gallons of fuel and hydraulic oil and was in danger of breaking up in the high surf action. The United States Coast Guard (USCG) and FOSCR ██████████ directed the owner that the pollution threat must be mitigated. The owner took financial responsibility and hired NRC Environmental Services (NRCES) to remove the fuel and hydraulic oil. The incident was reported to the National Response Center (NRC) via report # 927988.

Description of Removal Actions: Less than a gallon of oil was spilled into the harbor; however, 300 gallons of fuel and hydraulic oil were contained within the vessel. NRCES was therefore instructed by the USCG and State of California OSPR to remove all remaining product on the M/V Saigon I due the substantial threat of discharge. NRCES responded with containment and recovery of the free-floating oil, shoreline cleanup, and decontamination of response equipment to prevent the re-release of product into the water during continuing response operations.

After a payment of \$2000, the RP stopped communication with NRCES. On March 10, 2010, NRCES sent a demand for payment letter to the RP and informed them if full and final payment was not made by March 20, 2010, NRCES would file a claim with the National Pollution Funds Center (NPFC). On April 22, 2010, the NPFC received the claim from NRCES.

2. ***The Claim:*** NRCES submitted a removal cost claim to the NPFC for reimbursement of their uncompensated removal costs associated with this incident in the amount of \$7,519.20. The claim consisted of NRCES invoices, dailies, a waste manifest, rate schedule, letters to the RP for full and final payment, a signed contract with the RP, and pictures of the scene.

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. FOSC coordination was established via MST1 [REDACTED] of MSD Santa Barbara.
2. The incident involved the report of a discharge of “oil” and substantial threat 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. Presentment of costs to the RP was made by the claimant, prior to the submission of the claim. The NPFC also made presentment of costs to the RP and to date the NPFC has received no response.
6. 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). On that basis, the Claims Manager hereby determines that the claimant did in fact incur \$7,519.20 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 #910095-001. The claimant states that all costs claimed are for uncompensated removal costs incurred by the claimant for this incident on January 8, 2010. 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 \$7,519.20 as full compensation for the reimbursable removal costs incurred by the Claimant and submitted to the NPFC under claim 910095-001. 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: \$7,519.20

Claim Supervisor: [REDACTED]

Date of Supervisor's review: *5/13/10*

Supervisor Action: *Approved*

Supervisor's Comments: