

CLAIM SUMMARY / DETERMINATION FORM

Claim Number	: 915095-0001
Claimant	: BP Exploration & Production, Inc.
Type of Claimant	: Corporate
Type of Claim	: Removal Costs
Claim Manager	: [REDACTED]
Amount Requested	: \$13,774.66

FACTS:

A. Oil Spill Incident:

On May 26, 2014, the CG National Response Center (NRC) received notification of surface residual tar balls (SRBs) washed up on the beach on Cat Island, MS, located on the Gulf of Mexico, a navigable waterway of the United States.¹ The CG Gulf Coast Incident Management Team (CG GCIMT) was notified and responded to the report and found SRBs spread throughout section MSHR1-038. As the SRBs were in a quantity that exceeded the CG's capacity to mitigate, an email directive was issued to BP Exploration and Production (BP) to activate an oil spill response organization (OSRO) to respond for cleanup operations on Cat Island.²

B. Description of removal actions performed:

On June 6, 2014, one (1) team from Danos & Curole Marine Contractors (Danos) (BP's Oil Spill Response Organization (OSRO) contractor) responded to the CG's directive of response and met with 2 CG active duty personnel on-scene. Cleanup of what appeared to be SRBs of MC252 origin began and extended throughout section MSHR1-038 on the beach. Approximately 53 lbs of SRBs were recovered and properly disposed of at Baldwin County - Magnolia Landfill, Summerdale, AL. During cleanup operations, CG representatives sampled two SRBs, both of which were submitted to the CG Marine Safety Lab (CG MSL) for analysis.³

C. Sample Analysis: The samples collected by CG personnel were forwarded to the CG MSL and received on June 10, 2014 (CG MSL Case Number 14-176). In an Oil Sample Analysis Report dated October 29, 2014, the MSL determined that samples 14-176-1 and 14-176-2 contained heavy petroleum oil with characteristics different from those samples of MC 252 oil and the samples were not derived from a common source.⁴

D. The Claim: On June 28, 2015, BP submitted a removal cost claim to the National Pollution Funds Center (NPFC), asserting that the oil was not Deepwater Horizon oil and sought reimbursement of its uncompensated removal costs in the amount of \$13,774.66 for services

¹ See NRC Report #1084243 dated May 26, 2014.

² See email directive to BP dated June 5, 2014.

³ See NPFC Optional OSLTF Form submitted by BP and dated June 28, 2015.

⁴ See MSL Case # 14-176 dated October 29, 2014.

provided on June 5 and 6, which included personnel, boat use, and vehicle use. The claimed removal costs are based on the rate schedule in place at the time services were provided. A copy of the vendor rate schedule is provided in the claim file.

APPLICABLE LAW:

"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".

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". 33 USC § 2701(31).

Removal costs include any 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).

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.

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. Findings of Fact:

1. CG GCIMT as the Federal On-Scene Coordinator for this incident, oversaw the removal actions and determined that the actions undertaken by BP's contracted OSRO were consistent with the NCP; 33 U.S.C. §§ 2702(b)(1)(B) and 2712(a)(4);⁵
2. The incident involved the discharge of "oil" as defined in OPA 90, 33 U.S.C. §2701 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 costs;
4. The claim was submitted within the six year period of limitations for claims. 33 U.S.C. § 2712(h)(1);
5. The NPFC Claims Manager thoroughly reviewed all documentation submitted with the claim and determined the costs presented were for actions in accordance with the NCP and that the costs for these actions were 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.

As a result of the MSL analysis that the SRBs were not derived from MC 252 oil, this incident has been determined a mystery spill for which BP seeks reimbursement of its removal costs. The Claimant states that all costs claimed are for uncompensated removal costs incurred for this incident on June 5 and 6, 2014. BP represents that all costs paid by it are compensable removal costs, payable by the OSLTF as presented by the Claimant.

Upon review of the claim submission, the NPFC has determined that the documentation presented supports the actions were reasonable, necessary and performed in accordance with the response objectives as determined by the CG GCIMT and that the actions were also monitored by CG personnel. Additionally, MSL analysis confirms that the response was not associated with the MC252 oil spill.

C. Determined Amount: \$13,774.66

The NPFC hereby determines that the OSLTF will offer to pay \$13,774.66 as full compensation for the claimed removal costs incurred by the Claimant and submitted to the NPFC under claim 915095-0001. 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.

⁵ See USCG Closure Documentation sent to BP dated June 6, 2014.

Claim Supervisor



Date of Supervisor's review: *7/15/15*

Supervisor Action: *Approved*

Supervisor's Comments: