

The National Pollution Funds Center  
and the  
Oil Spill Liability Trust Fund



Tribal Natural Resource Damage Assessment and Restoration Conference  
July 19, 2011

# Topics for Today

---

- ◆ Overview of the U.S. Coast Guard's National Pollution Funds Center (NPFC) and the Oil Spill Liability Trust Fund (OSLTF)
- ◆ NPFC funding options for NRDA

# National Pollution Funds Center

---

- ◆ Unit of USCG headquarters in Washington D.C.
- ◆ Manage the Oil Spill Liability Trust Fund
  - Multi billion dollar fund used to pay removal costs and damages resulting from oil spills or substantial threats of oil spills to U.S. waters
- ◆ Craig Bennett, NPFC Director
- ◆ Jim Hoff, Chief of the NRD Division



# Oil Spill Liability Trust Fund

---

Established by the Oil Pollution Act of 1990 (OPA 90)

- OSLTF funded under OPA by:
  - 8¢/barrel tax on domestic and imported oil through 2016; 9¢/barrel in 2017
  - Interest on the Fund's principal
  - Costs and penalties recovered from RPs



# Oil Spill Liability Trust Fund

---

Available to pay removal costs and damages from oil spills or threats of spills into/on U.S. navigable waters/EEZ not paid by a RP or guarantor

- “mystery spills”
- incidents where the RP:
  - has a valid defense (act of god, war, third party)
  - exceeds its limit of liability (except gross negligence, willful misconduct, safety violations)
  - refuses to pay



# Oil Spill Liability Trust Fund

---

Under OPA, compensable –

**response costs** are actions taken that were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC

**damages** are loss of:

- Personal property
- Government revenue
- Profits or earning capacity
- Government public services
- Subsistence use of natural resources
- Natural resources (public losses, which are only recoverable by a designated federal state, or tribal trustee)



# Ways to Access the Fund

---

## Response costs

1. Through the FOSC

## Damages

1. Interagency agreement to initiate the assessment of natural resource damages
2. NPFC Claims Process for damages, including NRD
  - private loss (removal costs, personal property, subsistence, revenues, profits, public services)
  - public loss of natural resources (assessment and restoration)



# NRD Initiate Funding

---

- ◆ IAG obligates funds for reimbursement of costs to “initiate the assessment of natural resource damages” (33 USC 2752(b))
- ◆ Requirements
  - OPA incident
  - federal trustee
- ◆ FLAT encouraged to first seek funding through RP
- ◆ FLAT responsible for progress and cost reporting (quarterly). NPFC pays following reconciliation of cost documentation.
- ◆ 8 active IAGs = \$1.5M; \$623K paid during past FY





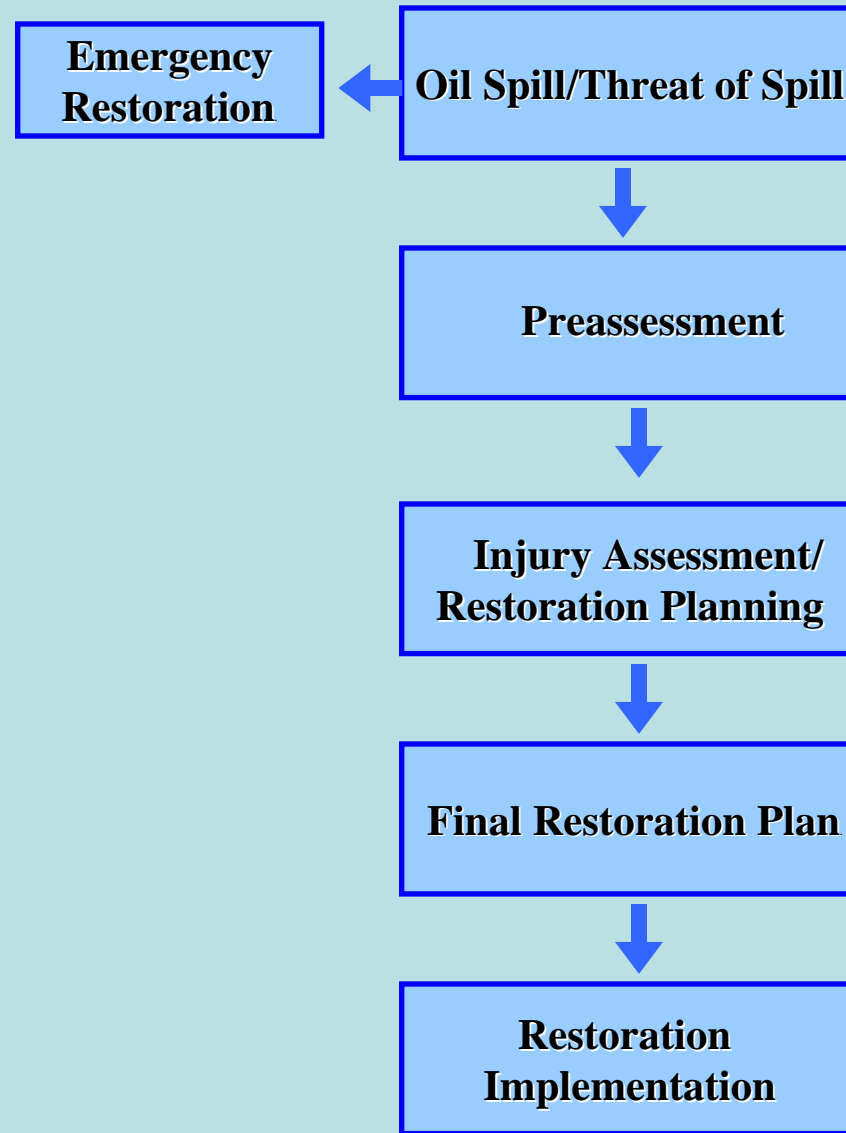
# NRD Claims

---

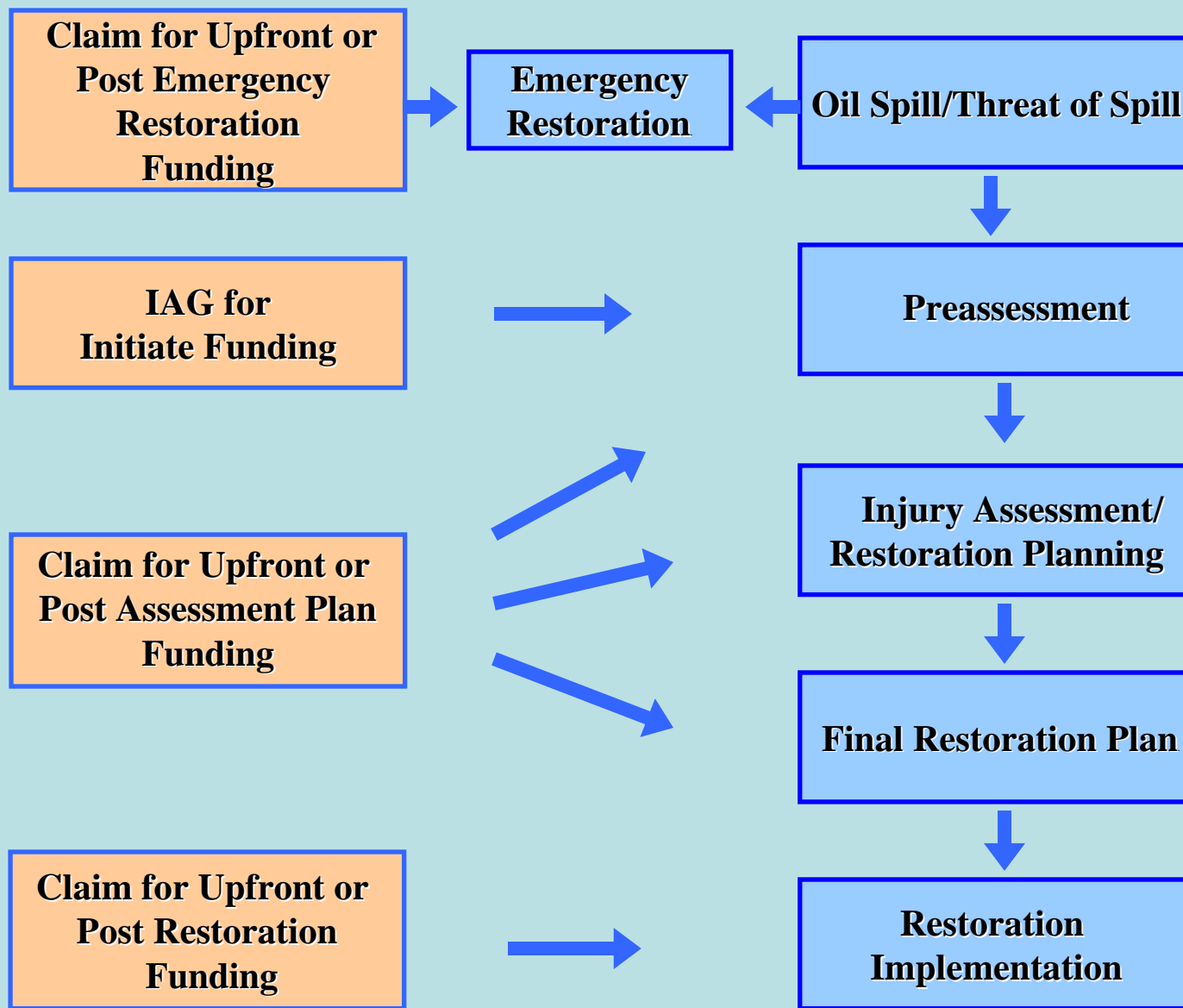
- ◆ Past or future costs of:
  - emergency restoration
  - assessment
  - restoration costs
- ◆ Requirements (33 CFR 136)
  - OPA incident
  - federal, state, or tribal trustees
  - based on a publicly-reviewed Plan
  - first presented to an RP
  - submitted within SOL
- ◆ 4 NRD claims valued at \$57M adjudicated past FY



# Summary of NRDA Funding Through NPFC



# Summary of NRDA Funding Through NPFC





U.S. Coast Guard  
National Pollution Funds Center  
4200 Wilson Boulevard, Suite 1000  
Arlington, Virginia 20598-7100

All contact information - including 24 hour hotline - is available at:

<http://www.uscg.mil/npfc>