



Office of the Administrator of the Ship-source  
Oil Pollution Fund

Bureau de l'administrateur de la Caisse  
d'indemnisation des dommages dus à la  
pollution par les hydrocarbures causée par les  
navires

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Ottawa, 1<sup>st</sup> June 2020  
*SOPF File: 120-857-C1*  
*CCG File: n/a*

## VIA MAIL AND EMAIL

Director, Operational Business  
Canadian Coast Guard  
200 Kent Street (6S049)  
Ottawa, Ontario K1A 0E6

**RE: F/V ZODIAC LIGHT – Kitamaat Village, British Columbia**  
**Incident date: 2018-02-14**

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### SUMMARY AND OFFER

This letter responds to a submission from the Canadian Coast Guard (the “CCG”). The office of the Administrator of the Ship-source Oil Pollution Fund received the submission on 15 January 2020, on behalf of the Administrator.

The submission sets out claims for various costs and expenses incurred by the CCG in taking measures in response to an incident involving the vessel F/V ZODIAC LIGHT. The F/V ZODIAC LIGHT (the “Vessel”) sank while moored in the harbour at Kitamaat Village, British Columbia, on 14 February 2018 (the “Incident”). The total amount claimed in the submission is \$176,462.73.

The submission has been assessed and a determination has been reached with respect to its claims. This letter advances an offer of compensation to the CCG pursuant to sections 105, 106 and 116 of the *Marine Liability Act* (the “MLA”). Also provided in this letter are a description of the CCG’s submission and an explanation of the findings and ultimate determination.

The claim is allowed in part. The amount of \$133,879.10 (the “Offer”), plus statutory interest calculated in accordance with s. 116 of the MLA, is offered with respect to this submission.

The reasons for the Offer are set out below.

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## **THE SUBMISSION RECEIVED**

The submission includes a narrative that describes the Incident and the subsequent response, including photographs. It also includes backup documentation supporting the costs and expenses claimed, including contractor invoices, employee timesheets and equipment logs.

There are also documents from a second submission to the Administrator concerning the Incident. The second submission is from the Haisla Nation Council (the “HNC”). That submission includes another narrative, annotated photographs, equipment receipts and a spreadsheet tracking time spent on the response to the Incident.

To the extent that those documents are relevant to the determination, they are discussed below.

### **The narrative**

The narrative included in the submission sets out a description of the Incident.

On 14 February 2018, the CCG Regional Operations Centre (ROC) contacted CCG Environmental Response (“ER”) staff to forward a report that a vessel had sunk at the dock in the Haisla Village.

CCG ER contacted the person who reported the Incident, and made arrangements to access supplies kept at CCG ER’s depot in Kitimat, B.C. They also made contact with the owner of the Vessel and discussed his obligations to respond to the sinking. The owner advised that Haisla Fisheries (on behalf of the HNC) had offered to take over the response. CCG ER came to the view that the owner is unable to manage or finance the salvage effort.

Haisla Fisheries initially confirmed to CCG ER that it was their intent to manage the response on behalf of the owner. CCG ER raised concerns about fuel removal and the overall response. It was agreed that CCG ER and the Haisla Harbour Authority (again, on behalf of the HNC) would work together to contain and recover pollution from the Vessel.

That same morning, diesel was observed on the surface of the water in the vicinity of where the Vessel sunk. The Haisla Harbour Authority deployed a containment boom.

CCG ER contacted a contractor, who confirmed availability to respond to the Incident. The contractor was then retained to prepare to salvage the Vessel at Kitimat Village, B.C. (more precisely, Kitamaat Village).

CCG ER loaded their truck and intended to depart when the highway re-opened. However, Highway 16 (the only land route) was closed at the time because of severe winter conditions.

By 16:00 that afternoon, the Vessel had been contained with 24” containment boom, and Wainwright Marine were en route with a tug, barrage and crane to raise the vessel. The initial plan was to:

- a) Load a 100-tonne crane onto the Wainwright barrage at high tide;
- b) Retain Adam's Diving to rig slings for a refloating lift;
- c) Transit 18 hours from Prince Rupert to Kitamaat; and
- d) Arrive at Kitamaat in the morning of 16 February 2018 (a Friday).

The CCG ER station at Prince Rupert planned to dispatch two response personnel on the afternoon of 14 February 2018, with a mandate to bring equipment and supplies, manage the response and assist in oil recovery and storage.

One of the Haisla entities was tending the containment boom in the interim, as well as deploying sorbent materials. Haisla Fisheries remained in close contact with CCG ER. The Vessel was apparently stable, and pollution was observed.

As of the morning of 15 February 2018, the scene remained stable. The containment boom was somewhat displaced, having become hung on the vessel as the tide fell. The configuration of the boom was modified to avoid a recurrence. As the tide rose, it shifted the Vessel and additional oil was discharged from the F/V ZODIAC LIGHT.

Crews on the scene attempted to plug the fuel vents on the sunken Vessel and prepare the area for the arrival of the barge and crane. The area was secured to keep the public away.

The Western Canada Marine Response Corporation ("WCMRC") was hired to deploy a 2-man response team equipped with skimming and recovery equipment. The HNC entities agreed to source 45-gallon drums for storage of recovered waste.

The teams were set up in the late afternoon and recovered 800 litres of liquid and 15 bags of solid waste (soiled sorbent pads). The recovery effort stopped at 19:00, to be recommended the next morning.

The morning of 16 February 2018, CCG, HNC and WCMRC personnel were on site at 7 a.m. to continue the pollution response effort. The Wainwright barge was originally expected to arrive that morning, but its arrival was delayed until 13:00. Another seven drums of fuel were recovered from the containment area along with another 54 bags of solid waste.

The tug (INGENIKA) and barge (CF-42) arrived at 13:30 and began rigging for a lift. The salvage crew and divers prepared the vessel for listing. Work stopped at 18:00 due to fading light and that the water was not safe for divers in the dark as the weather was poor.

The same day, a formal direction was delivered to the F/V ZODIAC LIGHT's owner.

The morning of 17 February 2018, CCG ER personnel, HNC personnel, salvage crew and WCMRC crew were on site at 08:00. The CCG reassessed the containment area and determined that the mechanical skimmer served no further useful purpose. WCMRC was stood down at 10:00.

The CCG ER and HNC personnel continued to deploy and recover pads. At the same time, the salvage crew raised the Vessel. The loose debris from the vessel was loaded onto the

Wainwright barge, along with 11 drums of recovered fuel and 68 bags of recovered waste. All of those items were to be transported to Prince Rupert.

The Vessel was successfully raised and left moored to the dock, and was monitored overnight. Non-monitoring crews were stood down at 18:00.

The HNC advised that it would not permit the beaching and destruction of the Vessel on HNC lands. CCG ER personnel contacted Wainwright to inquire as to whether they would tow the Vessel back to Prince Rupert. This was determined not to be possible.

A separate tug and crew were hired to deliver the vessel to Wainwright's yard in Prince Rupert and maintain the vessel upon its arrival until it could be beached at high tide.

On 18 February 2018, CCG ER personnel observed that the Vessel was secure at the dock and the second tug had arrived. Pumps and hoses were transferred to the Vessel to keep it afloat during the trip to Prince Rupert. The barge departed at 15:30. CCG personnel departed at 12:00.

On 19 February 2018, CCG ER crews transferred oily waste. This included the recovery of 120 liters of liquid waste from the CCG truck. A faulty bag was blamed for the release of oil into the truck's berm. Separately, the Wainwright tugs arrived in Prince Rupert.

On 20 and 21 February 2018, CCG ER and Wainwright deployed a contaminant boom around the Vessel and then worked to remove fuel and debris from the vessel. The Vessel had to remain under constant monitoring due to the risk it might sink again. CCG ER determined that the interior of the vessel was too heavily contaminated to be cleaned. The Vessel was moved to shore at high tide on 21 February 2018.

On 22 February 2018, CCG ER attempted to access the Vessel, but could not as it was sitting on an angle. By 23 February 2018, the Vessel had been moved to an upright position. CCG ER personnel removed contaminated debris and hydraulic fluid from the vessel. CCG ER determined the Vessel had to be demolished due to extensive contamination by oil. At this time, concerns were raised about whether the Vessel could be sent to the Prince Rupert landfill.

In the time leading up to June 2019 (more than a year later), Wainwright crews broke the Vessel in their yard. Local authorities refused to allow Wainwright to operate an incinerator. Bins filled with debris were sent to the local landfill without complaint by the municipality.

Recovered fuel totaling 2400 liters was disposed of at no cost to the CCG. Sorbent material and 200 liters of lube oil were disposed of by Terrapure Environmental.

### **The HNC photographs**

The HNC submission included a number of annotated photographs which were helpful in understanding the Incident and the HNC response to it.

**The costs and expenses summary**

The CCG’s submission claims for costs and expenses arising from the Incident total to **\$176,462.73**. The CCG cites sections 101 and 103 of the MLA as grounds for the claim. The CCG submission includes a Cost Summary, which is set out below:

| COST SUMMARY                                |                      |                |            |
|---|----------------------|----------------|------------|
| POLLUTION INCIDENT                          |                      |                |            |
| INCIDENT:                                   | ZODIAC LIGHT         | PROJECT CODE:  | N/A        |
| INCIDENT DATE:                              | February 14, 2018    | DATE PREPARED: | 27-Nov-19  |
| DEPARTMENT:                                 | CANADIAN COAST GUARD | PREPARED BY:   | [REDACTED] |
|   |                      |                | <u>SCH</u> |
| MATERIALS AND SUPPLIES                      | -                    |                | 1          |
| CONTRACT SERVICES                           | 163,744.50           |                | 2          |
| TRAVEL                                      | 1,813.91             |                | 3          |
| SALARIES - FULL TIME PERSONNEL              | 3,465.00             |                | 4          |
| OVERTIME - FULL TIME PERSONNEL              | 4,111.99             |                | 5          |
| OTHER ALLOWANCES                            | -                    |                | 6          |
| SALARIES - CASUAL PERSONNEL                 | -                    |                | 7          |
| SHIPS' COSTS (EXCL. FUEL & O/T)             | -                    |                | 8          |
| SHIPS PROPULSION FUEL                       | -                    |                | 9          |
| AIRCRAFT                                    | -                    |                | 10         |
| POLLUTION COUNTER-MEASURES EQUIPMENT (PCME) | 2,441.50             |                | 11         |
| VEHICLES                                    | 766.88               |                | 12         |
| ADMINISTRATION                              | 118.95               |                | 13         |
|   |                      |                |            |
| TOTAL CCG COST OF INCIDENT                  | <u>\$ 176,462.73</u> |                |            |

Figure 7 - CCG Cost Summary

Notably, the summarized total for the contractual claim is incorrect. The total of the contractual claims submitted is \$163,715.50 – not \$163,744.50 as indicated.

The \$163,715.50 claim for contract services is further broken down as follows.

The CCG paid \$70,310.50 to Wainwright for the “salvage of the vessel”. This presumably relates to the first tug and barrage, with the crane. The CCG further paid \$25,890.38 to Wainwright for the towing and monitoring of the vessel, for its transportation to Prince

Rupert. The CCG then paid \$7,750 to Wainwright to move the vessel to land, and a further \$39,328.22 to Wainwright for the vessel's deconstruction (which includes \$22,819.88 for disposal of the broken-down components of the vessel).

An additional \$13,872.78 was paid by the CCG to Western Canada Marine Response Corporation for their skimming efforts.

The other costs and expenses submitted by the CCG include \$1,813.91 for travel, \$3,464 for personnel time, \$4,111.99 for personnel overtime, \$2,441.50 for pollution countermeasures and equipment, \$766.88 for vehicles and \$118.95 for administrative expenses (calculated at 3.09%).

### **Additional information requested**

On 5 March 2020, the office of the Administrator of the Ship-source Oil Pollution Fund requested additional information from the CCG concerning the incident.

The CCG requested an extension of the timeframe to respond, and then provided a response on 27 March 2020. The response received by the Administrator did not include additional evidence which supported the CCG claims.

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## **DETERMINATIONS AND FINDINGS**

### **The CCG submission presents potentially eligible claims under section 103 of the MLA**

The Incident resulted in damage suffered within the territorial seas of Canada, as well as in costs and expenses to carry out measures to avoid or minimize further damage. As a result, claims arising from the Incident are potentially eligible for compensation.

The CCG is an eligible claimant for the purposes of section 103 of the MLA. The submission arrived prior to the limitation periods set out under subsection 103(2).

Some of the claimed costs and expenses arise from what appear to be reasonable measures taken to "prevent, repair, remedy or minimize" oil pollution damage from a ship, as contemplated under Part 6, Division 2 of the MLA, and are therefore eligible for compensation.

For the foregoing reasons, it is determined that the submission presents claims that are potentially eligible for compensation under s. 103 of the MLA.

### **The facts presented by the CCG about the initial response are generally accepted**

The narrative and photographs presented by the CCG set out the bulk of the relevant facts of the Incident.

When it sank, the Vessel (the F/V ZODIAC LIGHT) posed an environmental pollution threat. Hydrocarbons, presumably mostly diesel, were released from the Vessel. It was reasonable for the CCG to take measures in response to the sinking including the raising of the Vessel, the deployment of containment equipment, the use of skimmers to recover oil pollution and the transportation of the Vessel to hard land for further inspection.

The location of the loss was remote, and the Vessel was relatively large. The CCG brought in outside contractors to raise and move the Vessel. This measure was appropriate, as was the decision by the CCG to travel to the loss location.

The CCG claims for costs and expenses for each of these items. Those claims are dealt with individually in a following section.

Notwithstanding the general acceptance of the facts submitted by the CCG, with respect to a few issues the CCG submission is problematic and requires detailed determinations.

### ***The CCG narrative and evidence omits certain important pieces of information***

Certain important evidence and information was not included in the submission and the narrative. These missing items include:

- The narrative suggests that the HNC changed its position to refuse to allow the Vessel to be landed and deconstructed on HNC lands, as part of the HNC taking charge of the response on behalf of the owner. The CCG submission does not identify who initially advised the CCG that the HNC would allow the Vessel to be landed, or who agreed on behalf of the HNC to act on behalf of the owner – or, for that matter, what precisely was believed to be the agreement. This prevents determining whether someone with authority to bind the HNC a commitment which was subsequently withdrawn, which might justify some increased costs and expense. For that matter, the narrative does not actually say that anyone at all actually agreed on behalf of the HNC to land the Vessel at Kitamaat Village – only that there was a desire to manage the matter locally to keep costs down. The nonspecific assertions in the narrative about HNC plans for the Vessel are insufficient to ground a determination that the HNC changed its position, requiring a revised plan for disposition of the Vessel.
- The contracts issued by the CCG lack the Statements of Work or an overall plan or strategy for dealing with the Vessel. The CCG states that there was no time to secure such contracts and that there were no other resources to perform the services provided by Wainwright.

### ***The CCG decision to deconstruct the Vessel is not supported by the evidence***

The CCG asserts, boldly, that disposing of the Vessel was the fastest, most efficient and economical plan of eliminating the threat of pollution. This assertion is not accepted.

The Vessel was built in 1955 according to the registry maintained by Transport Canada. Witness information received by the Administrator during the assessment of the HNC

claim was that, prior to the sinking, the Vessel, was in relatively good condition. The sinking was attributed to very heavy snow accumulation during a major snowfall event which occurred while the owner was out of town. Nothing in the CCG submission suggests otherwise, or suggests that the Vessel was at risk of re-sinking once it was refloated, or that the Vessel itself was so contaminated that it constituted oily waste.

Neither the claim submission nor the response to the Administrator's inquiry contain evidence sufficient to support a conclusion that the Vessel was an oily waste which needed to be disposed of, or that disposal was the most economically sensible route to dealing with the Vessel.

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### **CLAIM AND OFFER DETAILS**

The submission breaks down the claim for costs and expenses into several categories. This section of the offer letter reviews each of those categories of claim in detail, and provides reasons as to why portions of the claim have been allowed or disallowed.

#### **Schedule Two – Contract Services Claim: \$163,715.50**

The claim included six individual invoices cost and expense claims, from two different contractors. The claims, including GST, are summarized as follows:

- |   |              |
|---|--------------|
| A. Wainwright Marine – Salvage of Vessel- Paid March 31, 2018   | \$73,826.03; |
| B. Wainwright Marine – Tow and Monitor – Paid March 28, 2018    | \$25,890.38; |
| C. Wainwright Marine – Shift V/1 to Land – Paid July 16, 2018   | \$ 8,137.50; |
| D. Wainwright Marine – Deconstruct/Dispose – Paid July 25, 2018 | \$41,324.63; |
| E. WCMRC – Pollution Recovery – Paid Mary 28, 2018              | \$13,698.75; |
| and   |              |
| F. WCMRC – Meals and accommodation – Paid May 18, 2018          | \$ 868.21    |

No contract, statement of work or scope of work was prepared prior to the creation of the contracts which gave rise to the above summarized claims. Upon inquiry during the assessment process, the CCG advised that it was not possible in the circumstances of a vessel sunken in a remote location to prepare such documentation.

Each item is reviewed below.

#### **A. Wainwright Marine – Salvage of Vessel Claim: \$73,826.03**

Wainwright Marine sent an invoice (#5821) dated 27 February 2018 to the CCG. The amount of the invoice was \$70,310.50. The invoice includes invoices received by Wainwright from subcontractors Adams Diving (Invoice 1813) and Greenleaf Construction (Invoice 294733).



In chief, the invoice 5821 charges for Wainwright for the tug (INGENIKA), barge (CF-42) and a dive team to attend at Kitamaat Village and raise the vessel.

The submission includes support for invoice 5821, including a daily breakdown of equipment costs and hours of utilization of the vessels from 14 to 19 February 2018. This breakdown was crosschecked against the incident summary and it was found that the claimed effort was delivered.

The rates charged for the tug INGENIKA and barge CF-42 include both actual hours of use as well as standby rates. These rates were compared with those of another operation (Western Canada Marine Response Corporation, "WCMRC") and were found to be both comparable and reasonable. The individual equipment fees noted on invoice 5821 were also reviewed and are considered reasonable.

The hours of work for individual members of the crew from Wainwright are not included on invoice 5821. For the purposes of assessment, it is assumed that the charges for the crew are included in the charges for the Wainwright vessels.

The Adams Diving and Marine Services Ltd. invoice (1813) totals \$11,705.40 and is included within Wainwright invoice 5821. Invoice 1813 covers the period 15 to 17 February 2018. The divers prepared the Vessel for lifting and dewatering. The invoice includes costs of mobilization of the dive team and equipment from Prince Rupert to Kitamaat. Travel time was charged at \$66.00 per hour, and regular dive time was charged at \$88.00 per hour. Saturday dive time was charged at \$152.00 per hour. Invoice 1813 includes a charge for \$1,200 for consumables (fuel, LOA etc.) but this part of the claim was not supported by receipts or other corroborative information. As a result, it cannot be determined that this charge was reasonable. The other charges on invoice 1813 are reasonable.

The Green Leaf Construction and Rentals Ltd. invoice (294733) covered charges in the amount of \$9,082.50 for a 100-tonne crane from 15 to 9 February 2018. This amount also includes a living out allowance for the crane operator, in the amount of \$250, but no other separate crew charges. The use of a crane was necessary and the cost and expense associated with the crane is considered reasonable.

In summary, Wainwright invoice 5821 is allowed, in part, in the amount of \$72,566.03.

B. Wainwright Marine – Tow and Monitor Claim: \$25,890.38

The tug WPearce was dispatched from Prince Rupert on 7 February to Kitamaat Village to tow the Vessel (the ZODIAC LIGHT) to Prince Rupert. This follows the recognition by the CCG that the Vessel could not be landed at or near Kitamaat Village.

In connection with this lift and tow, Wainwright submitted invoice #5825, charging \$25,890.38 to the CCG. The invoice includes a breakdown of the hours of use.

The hourly rate for towing the vessel, including crew charges, was \$425.00. The standby rate was \$250.00 per hour. These rates are considered reasonable. Wainwright also

provided a crew member to monitor the vessel overnight on 19 February 2018 after the vessel arrived in Prince Rupert.

As the Vessel could not be landed at Kitamaat Village, it was reasonable to move it to Prince Rupert. The costs and expense associated with doing so is determined to be reasonable.

This portion of the claim is allowed in its entirety.

C. Wainwright Marine – Shifting vessel to land Claim: \$8,137.50

After the Vessel was towed to Prince Rupert, Wainwright lifted it to land. This was done, at least in part, to complete the removal of pollutants onboard. Prior to removing the Vessel from the water, Wainwright monitored it to ensure the Vessel did not sink where it floated in the water. Both of these measures were reasonably necessary and taken in response to oil pollution.

In carrying out the work, Wainwright used equipment include a 100-tonne crane, a tug and barge, a skidder, a bulldozer, an excavator and crewman at \$80 per hour. They apparently carried out operations on three days between 23 February and 7 March 2018.

Wainwright submitted invoice #6112 with a date of 7 July 2019 for this work. The invoice bills the amount of \$8,137.50. The submission includes no contract documentation or a statement of work. It is considered that the rates for equipment and crew are reasonable and competitive for the area.

This portion of the claim is allowed in its entirety.

D. Wainwright Marine – Deconstruct and dispose Claim: \$41,294.63

After the Vessel was landed, it was deconstructed. Wainwright had difficulty securing the necessary approvals to carry out the deconstruction and disposal and so this process went on over a protracted period. In the result, the bulk of the work was carried out more than a year after the Vessel arrived at Prince Rupert.

Wainwright's invoice for this work includes the following components:

- \$7,000 for the use of Wainwright excavators for 28 hours,
- \$2,800 for the use of a Wainwright dump truck for 14 hours,
- \$3,000 to clean up the site where the vessel sat,
- \$2,5000 for bin loads dumped at the city landfill,
- \$21,733.22 to Rupert Disposal for disposal of wood debris from the vessel;
- \$2,295.00 for a fuel surcharge on \$15,300.00 in other Wainwright charges.

It is determined that the CCG has not established that the deconstruction of the Vessel was a reasonable measure taken to address oil pollution. The CCG received information from the HNC that the Vessel was in relatively good condition prior to its sinking. A request

was made to the CCG for documentation and information about the state of the Vessel, whether at the time it sunk or at the time it was disposed of. No relevant information was provided in response.

This portion of the claim is disallowed in its entirety.

E. WCMRC – Pollution recovery Claim: \$13,698.75

The CCG engaged the Western Canada Marine Response Corporation (WCMRC) to provide pollution recovery measures at Kitamaat Village. WCMRC had two personnel attend at the site to carry out skimming and other operations. On the facts, skimming operations were a reasonable measure taken to recover oil pollution.

WCMRC sent invoice #180102 to the CCG on 28 May 2018. The invoice amount is \$13,698.75. The charges comprised equipment rentals, purchases of personal protective equipment and labour and travel costs for WCMRC personnel.

The submission includes supporting documentation for invoice #180102, including a detailed job summary, daily work sheets which log hours worked by personnel. The rates reflect WCMRC's standard charge out rates for their services, equipment and consumables. WCMRC's work is also described in the narrative submitted by the CCG. In the result, the charges listed in invoice #180102 are considered reasonable in the circumstances.

This portion of the claim is allowed in its entirety.

F. WCMRC – Meals and accommodation Claim: \$868.21

This part of the claim submission is for meals and accommodation on 15 and 16 February 2018 for the two WCMRC personnel attending to carry out skimming operations. Those operations have previously been determined to be reasonable measures.

The claim submission includes backup documentation for these claims, including receipts for the expenses. In the circumstances of an operation in a relatively remote location, and with the work carried out by this personnel having already been established, these costs and expenses are considered reasonable.

This portion of the claim is allowed in its entirety.

**Schedule 3 – Travel** **Claim \$1,813.91**

The CCG claims for travel costs for two environmental response officers to attend at Kitamaat village. The activities carried out by these personnel constitute reasonable measures taken with respect to oil pollution, as is discussed in more detail in the section concerning salaries.

The claim submission includes expense report statements for the employees who attended, as well as hotel receipts. The charges are in line with Treasury Board travel directives in force at the time of the Incident. The costs and expenses claimed are reasonable.

This portion of the claim is allowed in its entirety.

**Schedule 4 - Personnel time**

**Claim: \$3,465.00**

The CCG claims for salary time for four environmental response officers. Two officers attended at the scene of the Incident, while two others attended in Prince Rupert on 20 to 22 February 2018.

The CCG employees attending at the scene of the Incident were involved in placing pollution containment equipment, coordinating with personnel of the HNC, and managing the work of contractors. The CCG employees attending at Prince Rupert supervised the removal of the Vessel from the water and inspected it. All of these measures were reasonably taken in response to oil pollution.

The submission includes daily personnel logs, which identify which personnel was working, their hours of work, and what specific tasks they carried out. The rate applied for these employees is consistent with a GT-04 rate of pay in force at the time of the Incident. This rate is reasonable in the circumstances, as is the total number of hours worked.

This portion of the claim is allowed in its entirety.

**Schedule 5 – Overtime**

**Claim: \$4,111.99**

The CCG claims for overtime for the both the personnel who attended at the Incident and those who attended at Prince Rupert.

The claim submission includes daily personnel logs that identify the overtime hours worked by personnel and the tasks they were undertaking. This cost was incurred with respect to measures reasonably taken in response to an oil pollution incident.

The rate of pay for overtime claimed is consistent with the GT-04 rate of pay in force at the time of the Incident. This is considered reasonable in the circumstances, as is the total number of hours of overtime sought.

This portion of the claim is allowed in its entirety.

**Schedule 11 – Pollution Countermeasures**

**Cost: \$2,441.50**

During the response to the Incident, the CCG deployed 400 feet of 24-inch containment boom, 23 units of sorbent pads, and 5 units of sorbent boom. The deployment of these materials constitutes a reasonable measure taken to address oil pollution.

The use of the above noted materials was itemized in equipment logs included with the claim submission. The rates sought with respect to this equipment is considered reasonable.

This portion of the claim is allowed in its entirety.

**Schedule 12 – Vehicles**

**Cost: \$766.88**

The CCG used vehicle number 16-815 during the nine-day response to the Incident. This was necessary to transport the CCG crew to the remote locations material to this Incident.

The daily charge out rate for the vehicle is \$67.56 per day, with an added mileage charge of 22 cents per km. The total distance driven by vehicle was 722. The claim submission included a daily log of kilometers travelled. These costs and expenses are considered reasonable.

This portion of the claim is allowed in its entirety.

**Schedule 13 – Administration**

**Cost: \$118.95**

The CCG claims for administrative costs in the amount of 2.53%, added as a surcharge onto the claims for personnel costs (not including overtime), pollution countermeasures and vehicles.

The Administrator has previously agreed with the use of this rate by the CCG and it is considered reasonable in the circumstances. The overall amount calculated for administrative expenses is also considered reasonable.

This portion of the claim is allowed in its entirety.

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**OFFER SUMMARY AND CLOSING**

The following table is provided to summarize the claimed and allowed expenses with respect to the CCG claim for the Incident:

| <b>Schedule</b>                  | <b>Claim</b>        | <b>Offer</b>        |
|----------------------------------|---------------------|---------------------|
| A. Vessel salvage                | \$73,826.03         | \$72,566.03         |
| B. Tow to Prince Rupert          | \$25,890.38         | \$25,890.38         |
| C. Shifting the Vessel ashore    | \$8,137.50          | \$8,137.50          |
| D. Deconstruct and disposal      | \$41,294.63         | 0                   |
| E. WCMRC pollution recovery      | \$13,698.75         | \$13,698.75         |
| F. WCMRC meals and accommodation | \$868.21            | \$868.21            |
| Travel                           | \$1,813.91          | \$1,813.91          |
| Salaries                         | \$3,465.00          | \$3,465.00          |
| Overtime                         | \$4,111.99          | \$4,111.99          |
| Pollution Counter Measures Equip | \$2,441.50          | \$2,441.50          |
| Vehicles                         | \$766.88            | \$766.88            |
| Administration                   | \$118.95            | \$118.95            |
| <b>Total</b>                     | <b>\$176,433.73</b> | <b>\$133,879.10</b> |

Figure 1- Summary of claims made and allowed

The total amount allowed is \$133,879.10. The Offer is that amount, plus statutory interest to be calculated at the time the Offer is paid, if the Offer is accepted by the claimant.

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In considering this Offer, please observe the following options and time limits that arise from section 106 of the MLA.

You have 60 days upon receipt of this Offer to notify the undersigned whether you accept it. You may tender your acceptance by any means of communication by 16:30 Eastern Time on the final day allowed. If you accept this Offer, payment will be directed to you without delay.

Alternatively, you have 60 days upon receipt of this Offer to appeal its adequacy to the Federal Court. If you wish to appeal the adequacy of the Offer, pursuant to Rules 335(c), 337, and 338 of the *Federal Courts Rules*, SOR/98-106 you may do so by filing a Notice of Appeal in Form 337. You must serve it upon the Administrator, who shall be the named Respondent. Pursuant to Rules 317 and 350 of the *Federal Courts Rules*, you may request a copy of the Certified Tribunal Record.

The MLA provides that if no notification is received by the end of the 60-day period, you will be deemed to have refused the Offer. No further offer will issue.

Finally, where a claimant accepts an offer of compensation from the Fund, the Fund becomes subrogated to the claimant's rights with respect to the subject matter of the claim. The claimant must thereafter cease any effort to recover for its claim, and further it must cooperate with the Fund in its subrogation efforts.

Yours sincerely,

Mark A.M. Gauthier, B.A., LL.B  
Deputy Administrator, Ship-source Oil Pollution Fund