

Deepwater Horizon Oil Spill Funding Fact Sheet for State and Local Governments

BP Funding Process:

Who	States, parishes, counties, local governments, and sub-units of those governments who administer separate budgets and have or may incur costs in responding to the BP Deepwater Horizon oil spill may file claims.
What	Governments may file claims for: removal and cleanup costs; loss of government revenue; increased public services; and property damage.
How	Mail, Email or Fax claims and removal/cleanup funding requests to: ESIS Government Entity Claims Team PO Box 17160 Wilmington DE 19850 GovernmentClaims@worleyco.com FAX: (302) 476-6272
Questions?	Call the Government Claims line 302-476-7732 7am – 7pm, 5 days a week, or visit www.bp.com/claims .
Next	Each month, governments should provide BP with a budget of all similar anticipated future costs. Even if funding has been provided in advance, actual expenditures will need to be documented and approved before subsequent funding is provided.
BP Claim Denial	If a claim is denied or not settled within 90 days of submission, you may wish to contact the U.S. Coast Guard's National Pollution Funds Center (see below).

USCG National Pollution Funds Center Claims Process:

First	Government entities must first file a claim with BP. States may choose to file claims directly with the National Pollution Funds Center (NPFC) <i>for removal costs only</i> .
Who	Governments <u>who have filed claims with BP that have been denied OR not settled within 90 days</u> may file claims. Additionally, State governments may file a claim directly with NPFC for removal costs only.
How	Claims must be submitted, <u>in writing</u> , to the NPFC to: US COAST GUARD STOP 7100 (ca) 4200 Wilson Boulevard, Suite 1000 Arlington, Virginia 20598-7100
Questions?	For more information on the U.S. Coast Guard's claims process, and what information to provide with your claim, please call the claims support number at 1-800-280-7118 or visit www.uscg.mil/npfc/claims .

Deepwater Horizon Oil Spill Funding for State and Local Governments

BACKGROUND

The Federal government has designated BP as one of the Responsible Parties for the Deepwater Horizon Oil Spill, under the Oil Pollution Act (OPA) of 1990. Under OPA, the responsible parties are liable for government costs associated with the containment or cleanup of the spill, property damage, loss of tax revenue, increased public services costs, and damages to natural resources resulting from the spill (this fact sheet does not address the process for natural resource damage compensation).

BP has accepted designation and established a claims process and has been working to address clean up requirements and claims. BP has established a network of key personnel within the Unified Command and throughout the impacted region in order to work with States and local governments to address their needs and concerns. In the event that BP does not meet their responsibility under OPA, the Oil Spill Liability Trust Fund (OSLTF), which is administered by the U.S. Coast Guard's National Pollution Funds Center (NPFC), is available for compensation for certain removal costs and other damages.

This document provides guidance on the funding sources and reimbursement processes available to state and local government entities who have or will incur costs associated with the Deepwater Horizon spill. BP is responsible for all compensation to state and local government entities. The Gulf Coast Claims Facility under the administration of Mr. Kenneth Feinberg has been established to address only individual and business claims – but is not yet operational.

\$20B CLAIMS FUND

BP has agreed to contribute \$20 billion over a four-year period at a rate of \$5 billion per year, including \$5 billion within 2010. The amount of the fund represents neither a floor nor a ceiling. The fund will be used to pay individual, business, and NGO claims adjudicated by the Gulf Coast Claims Facility under the administration of Mr. Feinberg, as well as claims paid by BP to state and local government entities and tribes, federal and non-federal natural resource trustees, and claims arising out of certain oil-spill-related litigation.

BP CLAIMS PROCESS

Government entities, including states, parishes, counties, local governments, and sub-units of those governments who administer separate budgets may file claims directly with BP by sending them to:

ESIS Government Entity Claims Team
Post Office Box 17160
Wilmington, Delaware 19850
FAX: (302) 476-6272

A separate phone line has been set up for the government entities claims process. Government officials may call (302) 476-7732 to file a claim or for guidance.

The four categories below are intended to provide guidance to Government Entities regarding how BP's Government Entity Claims Team will consider different types of claims regarding their compensability under OPA. The Guidelines are intended to be illustrative, not inclusive of all costs in each category.

1. Response and Removal Costs

- Should a Local Government Entity intend to undertake or anticipate undertaking future response or removal actions, BP urges the Local Government Entity first to coordinate its efforts with the Federal On-Site Coordinator (FOSC) and Unified Command by contacting the Operations Section Chief or Deputy Incident Commander of the Unified Incident Command.
- Response and Removal Costs to be considered for reimbursement are those costs incurred by a Local Government Entity to prevent, minimize, or mitigate impact to natural resources within its jurisdiction from the Deepwater Horizon Incident, including both preventative and clean-up measures.
- If a Local Government Entity has to date incurred Response and Removal Costs due to actions that (1) have not yet been reimbursed by BP, and (2) were performed in coordination with the FOSC or with BP, such costs should be submitted to and will be paid under the Government Entity Claims Process. Local Government Entities should include documentation indicating that the Response and Removal Costs were coordinated with the FOSC or BP.
- If a Local Government Entity has to date incurred Response and Removal Costs due to actions that were not coordinated with the FOSC or BP, then the Local Government Entity should submit claims for costs to BP through the Government Entity Claims Process and include an explanation for why the costs were necessary for the Deepwater Horizon Incident response or removal and were consistent with the approved Area Contingency Plan or other approved efforts already planned, performed, or underway by or at the direction of the Unified Command.

2. Costs of Increased or Additional Public Services

- Compensable costs include additional administrative costs, costs of additional personnel, and other out-of-pocket costs incurred for material and equipment that are incurred by a Local Government Entity as a result of its response to the Deepwater Horizon Incident.
- Compensable costs do not include ordinary administrative, personnel, or equipment/material costs (including costs to upgrade equipment) that the Local Government Entity customarily incurs and would have incurred regardless of the Deepwater Horizon Incident.
- Compensable costs are not expected to include leases or major capital purchases for things such as buildings, vehicles, or equipment unless otherwise pre-approved by BP.

3. Lost Revenue

- Lost revenue claims to be considered for reimbursement include claims for revenue lost from taxes, royalties, rents, fees, and net profit shares that a Local Government Entity was

unable to collect, and unable to mitigate, as a direct result of the Deepwater Horizon Incident.

4. Property Damage

- Damages for injury to, or economic losses resulting from, destruction of government owned or leased real or personal property, including the cost of restoring the property.

Costs BP Are Likely to View as Non-Reimbursable

- Non-reimbursable costs, in addition to those mentioned above, may include those costs that were, in fact, not incurred as a direct result of the Deepwater Horizon Incident or that were not reasonably necessary to respond to the Deepwater Horizon Incident.

In the event that BP does not meet their responsibility under OPA, the OSLTF which is administered by the NPFC, is available for compensation for certain removal costs and other damages.

NATIONAL POLLUTION FUNDS CENTER - CLAIMS PROCESS:

- Claims for OPA removal costs and damages that have been denied or not settled by the responsible party after 90 days may be presented to the NPFC for consideration against the OSLTF. Keep in mind that under OPA a claim must be a demand for a sum certain (dollar amount) so, before the 90 day timeframe can start, a government must clearly articulate and present to the responsible parties a dollar amount. Interim claims are permitted. With regard to States, they (or their authorized agents) may present claims for removal costs directly to the NPFC against the OSLTF without first presenting to the RP.

To submit a claim to the NPFC:

- Submit your claim, in writing. The Optional OSLTF Claim form [CG NPFC-CA1](#), may be used or a freeform document submitting the same information. Identify the type of damage you are claiming and specify a sum certain.
- Document your costs and damages from the spill. Regulations defining what types of documentation required for the various types of claims are found in 33 CFR § 136. A host of information regarding claims can be found on the NPFC [website](#) at www.uscg.mil/npfc/claims.
- Forward your claims package to the [National Pollution Funds Center](#), the Coast Guard office responsible for evaluating and approving OPA claims, at the following address:

**US COAST GUARD STOP 7100 (ca)
4200 Wilson Boulevard, Suite 1000
Arlington, Virginia 20598-7100**