

VIA REGISTERED MAIL

Director, Operational Business
Canadian Coast Guard
200 Kent Street (5N177)
Ottawa, ON K1A 0E6

RE: *M/V Kavo Manali* – Port of Quebec, QC – DOI: December 3, 2017

We have completed our investigation and assessment of the claim for \$14,231.04 (the "Claim") that the Canadian Coast Guard ("CCG") submitted for costs and expenses incurred in relation to an incident involving the bulk carrier *Kavo Manali*, which occurred in section 28 of the Port of Quebec on December 3, 2017. We find the Claim to be established, in part, in the amount of \$13,293.87. Accordingly, we hereby make an Offer of Compensation (the "Offer") in the amount of \$14,018.82, including accrued interest of \$724.95, pursuant to sections 105 and 116 of the *Marine Liability Act* (the "MLA"), as it was prior to being amended.

The following reasons are provided to explain the disparity between the amounts claimed and the amounts found to be established. Schedules 2 and 5, being found established in full, are not included in the discussion of our reasons.

Schedule 1

Under Schedule 1, the CCG claimed an amount of \$2,298.56, consisting of \$1,777.76 for a mobile command post and \$520.80 for various overall response costs. Considering that the CCG assumed the role of federal monitoring officer and that the field work was subcontracted, we find that the overall response costs are not established, since the CCG failed to demonstrate that they were necessary. However, we find the amount of \$1,777.76 for the mobile command post to be established, which we therefore grant.

Schedule 4

Under Schedule 4, the CCG claimed \$4,779.85 for salaries. We find the amount of \$4,372.68 to be established for the salaries component of the Claim.

The first reduction is attributable to an error of three hours in adding up the number of hours worked on December 4, 2017. The Claim was therefore inflated by \$122.82, which was disallowed.

The second reduction, like the first, is attributable to an error of 2.5 hours in adding up the number of hours worked on December 5, 2017. The Claim was therefore inflated by \$100.12, which was disallowed.

The third reduction relates to the CCG's level of activity on December 6, 2017. The CCG claimed 8.5 hours for planning work. No justification was provided for those hours of work. Also, such a number of hours devoted to liaison work between stakeholders, three days after the start of operations, appears excessive. We find instead four hours to be a reasonable number, at the rate claimed for the Operations Manager. We therefore disallowed an amount of \$148.23.

We also note that the document provided in support of salaries claimed for December 6, 2017 is not dated nor otherwise identified or identifiable. However, we were able to establish part of the amount claimed for that date, by comparing salaries claimed for the day in question with the narrative of the incident provided.

Schedule 13

Finally, under Schedule 13, the CCG claimed \$125.06. Considering the aforementioned reductions, at the claimed rate, we grant the amount of \$115.86.

In considering this Offer, kindly note the following time limits set out in the *MLA*. You have 60 days upon receiving this Offer to notify the Administrator whether you accept it. Alternatively, you have 60 days upon receiving this Offer to file a Notice of Appeal in the Federal Court naming the Administrator as a respondent, in accordance with sections 335, 337 and 338 of the *Federal Courts Rules*, SOR/98-106. The *MLA* provides that, if no notification of acceptance is received or if no notice of appeal is filed at the end of the 60-day period, you will be deemed to have refused the Offer and no further Offer will be issued.

If you accept this Offer, the *MLA* further provides that, as of the date the payment is made, the Administrator benefits from a statutory release and subrogation to the extent of the amount paid to you.

Yours sincerely,

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

SUMMARY

Schedules	Claimed	Established
1 – Materials & supplies	\$2,298.56	\$1,777.76
2 – Contract services	\$4,147.95	\$4,147.95
3 – Travel	0	0
4 – Salaries - CFT personnel	\$4,779.85	\$4,372.68
5 – Overtime - CFT personnel	\$2,879.62	\$2,879.62
6 – Other allowances	0	0
7 – Salaries - Casual personnel	0	0
8 – Ships costs (excluding fuel & overtime)	0	0
9 – Ships propulsion fuel	0	0
10 – Aircraft	0	0
11 – PCME	0	0
12 – Vehicles	0	0
13 – Administration	\$125.06	\$115.86
Total in principal	\$14,231.04	\$13,293.87
Interest		\$724.95
Grand total		\$14,018.82