



## OFFER LETTER

Ottawa, 23 February 2021  
*SOPF File: 120-877-C1*  
*CCG File:*

### BY EMAIL

Senior Director of Incident Management, Response Directorate  
Canadian Coast Guard  
200 Kent Street (5N177)  
Ottawa, Ontario K1A 0E6

**RE: *F/V MARCEL ANGIE II* — Grand Bank, Newfoundland and Labrador**  
**Incident date: 2018-12-11**

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### SUMMARY AND OFFER

This letter responds to a submission from the Canadian Coast Guard (the “CCG”) with respect to the fishing vessel MARCEL ANGIE II, which caught fire and sank on 11 December 2018, at Grand Bank, Newfoundland and Labrador (the “Incident”).

On 3 November 2020, the office of the Administrator of the Ship-source Oil Pollution Fund (the “Fund”) received a submission from the CCG on behalf of the Administrator. The submission advanced claims totaling \$20,267.57<sup>1</sup> for costs and expenses arising from measures taken by the CCG to respond to the Incident.

The submission has been reviewed and a determination with respect to its claims has been made. This letter advances an offer of compensation to the CCG pursuant to sections 105 and 106 of the *Marine Liability Act*, SC 2001, c 6 (the “MLA”).

The amount of \$14,622.14 (the “Offer”), plus statutory interest to be calculated at the time the Offer is paid and in accordance with section 116 of the MLA, is offered with respect to this claim.

The reasons for the Offer are set forth below, along with a description of the CCG’s submission.

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<sup>1</sup> The CCG’s cover letter and cost summary indicate a total of \$19,156.45, but both of these omit pollution counter-measures equipment costs of \$1,111.12. Including this amount, claimed costs total \$20,267.57.

## THE SUBMISSION RECEIVED

The submission includes a narrative that describes events relating to the Incident. It also includes a summary of the costs and expenses that the CCG claims and corroborating documents. To the extent that the narrative and corroborating documents are relevant to the determination, they are reviewed below.

### The narrative and photographs

According to the narrative, on 11 December 2018, CCG Environmental Response (“ER”) Duty Officer was notified that an approximately 60-foot fishing vessel, identified as the MARCEL ANGIE II (the “Vessel”), had caught fire at the main wharf in Grand Bank, Newfoundland and Labrador at 11:00. The CCG was further informed that “crew members had been evacuated from the vessel, both Grand Bank and Fortune fire departments were on-scene, and the fire had been under control with foam.” The CCG obtained contact information for the Vessel’s owner and his representative, both of whom were on scene.

The narrative continues:

Speaking with the owner, the [ER Duty Officer] confirmed the information that had been reported. The owner also reported that the vessel was completely burned and that there had been no damage to the wharf. The vessel was fueled that morning containing 6,000 litres of diesel in the front tank with nothing in the aft tank, and 800 litres of hydraulic oil throughout. He had confirmed that it was sinking and informed the [Duty Officer] that he did have insurance through SAMMARLA INSURANCE based out of St. Pierre et Miquelon. Following the conversation with the owner, the phone was passed to the Harbour Master. He confirmed the information the [Duty Officer] received from the owner, due to the language barrier.

[...]

At 13:40 hrs, the [Duty Officer] received a call from the Royal Canadian Mounted Police (RCMP) head investigator [...] in Grand Bank, NL. He was able to provide that the location of the vessel was on the Government wharf just ahead of the Panama trawler. He reported that the fire department was currently unloading foam, but there were still flames emitting from the starboard side of the vessel. There was no damage done to the wharf as there was a snow barrier protecting the wharf from the heat and that the vessel was listing due to the water and foam being placed onto the vessel. [...]

At 14:10 hrs, the [Duty Officer] received a call from the Harbour Master stating that [...] the fire was smouldering. The list was now at about 90° but the fuel tanks were secured and sealed, and the vents were on top of the boat, not currently underwater.

A verbal Section 180 notice was given to [the owner's representative] at 14:46 hrs, informing her of [the owner's] responsibilities under the *Canada Shipping Act*. At 15:38 hrs, the written Section 180 Notice was sent via email to [the owner and his representative].

At 16:05 hrs, [the owner's representative] called the [Duty Officer] informing that the fire was out and they were in the process of contracting divers. At 18:36 hrs, the Senior Response Officer (SRO) [...] and [two] Response Specialists (RS) [...] arrived on-scene. After completing the assessment, it was determined that the vessel was sunk and resting on its port side on the bottom. SRO [...] was speaking with [the owner and his representative] and was notified that divers (Central Diving) and a construction company (Bennett's Contracting) will be on-scene for the morning of Wednesday, December 12, 2018.

The narrative goes on to describe the recovery efforts carried out by contractors retained by the Vessel's owner from 12 through 18 December 2018, which efforts were monitored by the deployed CCG ER personnel, who stayed in Garnish and commuted to Grand Bank early each morning.

The owner's operation involved the use of divers to first survey the Vessel, which rested on the muddy bottom by the morning of 12 December 2018. Deck scuppers and fuel vents were plugged. Some of the Vessel's gear was removed on 13 December 2018 to aid the raising operation, which began the following day. A sheen appeared on 15 December 2018 in the course of dewatering and sorbents were deployed around the Vessel in response. It was determined that vacuum trucks were required to remove contaminated water from the Vessel, and these arrived on scene on 16 December 2018. Sorbent materials were changed out as needed through the continued dewatering process.

On 17 December 2018, the "Contractor and owner [assisted the] vacuum truck driver with removal of contaminated bilge water. All fuel tanks and hydraulic tanks were pumped dry. When each tank was drained, inspection covers were removed and tanks were sucked dry." That evening the CCG's Senior Response Officer was interviewed by local media.

The narrative concludes as follows, with respect to 18 December 2018:

ER personnel departed Garnish for Grand Bank at 07:00 hrs. The SRO confirmed that there had been 50,000 litres of contaminated water & fuel mixture removed from the vessel and 800 litres of hydraulic oil, there was no further ingress of water, and all recoverable pollutants had been removed from the vessel.

CCG ER personnel were stood down and returned to base. ER case closed.

The submission includes several uncaptioned and undated photographs:

*Figures 1 through 3 – Screen captures of a selection of photographs from the submission*

Cost summary

The CCG submission summarizes claimed costs as follows:

		<u>SCH</u>
MATERIALS AND SUPPLIES	\$ -	<u>1</u>
CONTRACT SERVICES	\$ -	<u>2</u>
TRAVEL	\$ 3,917.30	<u>3</u>
SALARIES - FULL TIME PERSONNEL	\$ 4,775.59	<u>4</u>
OVERTIME - FULL TIME PERSONNEL	\$ 8,980.72	<u>5</u>
OTHER ALLOWANCES	\$ -	<u>6</u>
SALARIES - CASUAL PERSONNEL	\$ -	<u>7</u>
SHIPS' COSTS (EXCL. FUEL & O/T)	\$ -	<u>8</u>
SHIPS PROPULSION FUEL	\$ -	<u>9</u>
AIRCRAFT	\$ -	<u>10</u>
POLLUTION COUNTER-MEASURES EQUIPMENT (PCME)	\$ -	<u>11</u>
VEHICLES	\$ 1,190.02	<u>12</u>
ADMINISTRATION	\$ 292.82	<u>13</u>
	<hr/>	
TOTAL CCG COST OF INCIDENT	<u>\$ 19,156.45</u>	

Figure 4 – Screen capture of the cost summary

Additional supporting documentation

With respect to travel costs, the submission includes two invoices from Long Ridge Cottages in Garnish, Newfoundland and Labrador, dated 17 December 2018. A note on the breakdown for JW, one of the responding CCG personnel, states, “Stayed with another ER employee”. The invoices cover the rental of two cottages for a total of seven nights, from 11 through 18 December 2018, at a rate of \$100.00 per night each, plus HST.

In addition to the documentation in support of accommodations costs, identical *per diem* breakdowns are provided for each CCG employee:

Date	Province	Breakfast	Lunch	Dinner	Incidentals	Private Accommodation
11-Dec-18	NL	\$ -	\$ -	\$ 50.00	\$ 17.30	\$ -
12-Dec-18	NL	\$ 20.25	\$ 19.85	\$ 50.00	\$ 17.30	\$ -
13-Dec-18	NL	\$ 20.25	\$ 19.85	\$ 50.00	\$ 17.30	\$ -
14-Dec-18	NL	\$ 20.25	\$ 19.85	\$ 50.00	\$ 17.30	\$ -
15-Dec-18	NL	\$ 20.25	\$ 19.85	\$ 50.00	\$ 17.30	\$ -
16-Dec-18	NL	\$ 20.25	\$ 19.85	\$ 50.00	\$ 17.30	\$ -
17-Dec-18	NL	\$ 20.25	\$ 19.85	\$ 50.00	\$ 17.30	\$ -
18-Dec-18	NL	\$ 20.25	\$ 19.85	\$ -	\$ 17.30	\$ -
	<b>Totals:</b>	<b>\$ 141.75</b>	<b>\$ 138.95</b>	<b>\$ 350.00</b>	<b>\$ 138.40</b>	<b>\$ -</b>

Figure 5 – Screen capture of per diem breakdown

Various summaries and timesheets are provided in support of claimed salary and overtime costs. Claimed regular salary costs include a 20% markup for employee benefits costs,

while overtime costs are billed at 1.5x and 2.0x regular salary rates, exclusive of employee benefits costs. Claimed salary and overtime hours are summarized as follows:

Name, Group, Level	Rates	Hours Worked by Date (December 2018)									Totals	Claimed
		11	12	13	14	15	16	17	18			
		Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues			
BH GT-05	Reg: \$47.08	2.00	7.50	7.50	7.50	-	-	7.50	5.00	37.00	\$1,741.96	
	1.5x: \$58.85	6.00	2.00	7.00	7.50	7.50	-	4.00	1.00	34.00 <sup>2</sup>	\$2,000.73	
	2.0x: \$78.46	-	-	-	0.50	4.50	14.00	-	-	19.00	\$1,490.74	
JW GT-04	Reg: \$43.62	2.00	7.50	7.50	7.50	-	-	7.50	5.00	37.00	\$1,613.94	
	1.5x: \$54.53	5.00	2.00	6.00	7.00	7.50	-	3.00	1.00	32.50 <sup>3</sup>	\$1,772.06	
	2.0x: \$72.70	-	-	-	-	3.50	13.00	-	-	16.50	\$1,199.55	
SG GT-04	Reg: \$38.37	2.00	7.50	7.50	7.50	-	-	7.50	5.00	37.00	\$1,419.69	
	1.5x: \$47.96	5.00	2.00	6.00	7.00	7.50	-	3.00	1.00	30.50 <sup>4</sup>	\$1,462.63	
	2.0x: \$63.94	-	-	-	-	3.50	13.00	-	-	16.50	\$1,055.01	
<b>Totals</b>										<b>260.00</b>	<b>\$13,756.31</b>	

Table 1 – Claimed salary and overtime hours by day (full names of CCG personnel replaced with initials)

The CCG has provided the following summary in support of \$1,111.12 in pollution counter-measures equipment costs, which are not captured in the \$19,156.45 claim total cited in the CCG’s cost summary (see Figure 4):

Description	LENGTH (per ft)	RATE (per ft)	RATE (per day)	# of day	COST	REFERENCE
Response Trailer			\$ 138.89	8.00	\$ 1,111.12	4-4 - 4-11

Figure 6 – Screen capture of pollution counter-measures equipment costs summary

Claimed vehicle costs are supported by a vehicle mileage log, indicating that 1,558 kilometres were driven from 11 through 18 December 2018, as well as by four diesel fuel receipts. Those costs, along with a vehicle day rate of \$67.56, are summarized as follows:

UNIT #	MILEAGE (Kms)	RATE	TIME (days)	RATE	COST	REFERENCE
FORD F450	1558.00	0.220	8.00	\$ 67.56	\$ 540.48	12-1
FUEL COST					\$ 649.54	12-2

Figure 7 – Screen capture of vehicle costs summary

The following breakdown is provided in support of the CCG’s claim for administration costs:

<sup>2</sup> The correct total is 35.00 hours, but only 34.00 are claimed.

<sup>3</sup> The correct total is 31.50 hours, but 32.50 are claimed.

<sup>4</sup> The correct total is 31.50 hours, but only 30.50 are claimed.

		CCG REGION	
(i)	Rates:		3.09%
(ii)	Costs subject to Regional Rate (excl. EBP)		
	Materials and Supplies	\$	-
	Travel	\$	3,917.30
	Salaries - Full Time Personnel	\$	3,979.66
	Other Allowances	\$	-
	Salaries - Casual Personnel	\$	-
	Ship O & M Costs	\$	-
	Aircraft O & M Costs	\$	-
	<b>Total Costs subject to Regional Rate</b>	<b>\$</b>	<b>7,896.96</b>
	Regional Administration Cost	\$	244.02
(iii)	Costs subject to Corporate Rate (excl. EBP)		
	Materials and Supplies	\$	-
	Travel	\$	3,917.30
	Salaries - Full Time Personnel	\$	3,979.66
	Other Allowances	\$	-
	Salaries - Casual Personnel	\$	-
	Ship O & M Costs	\$	-
	Aircraft O & M Costs	\$	-
	Regional Administration costs	\$	244.02
	<b>Total Costs subject to Corporate Rate</b>	<b>\$</b>	<b>8,140.97</b>
	Corporate Administration Cost	\$	-
	<b>Total Administration costs excl. EBP</b>	<b>\$</b>	<b>244.02</b>
	<b>Total Administration Costs incl. EBP</b>	<b>\$</b>	<b>292.82</b>

Figure 8 – Screen capture of claimed administration costs breakdown

The submission includes eight Personnel & Equipment Daily Logs, dated 11 through 18 December 2018. Generally, these align with the documentation already described in this letter. They do, however, provide some additional information:

- CCG personnel departed St. John’s for Grand Bank at approximately 14:00 on 11 December 2018, taking their time on the road due to poor weather conditions.
- The entry for 13 December 2018 suggests that the owner’s contractor had been delayed in obtaining lift bags due to a disagreement on rental rates.
- The entries for 15 through 17 December 2018 note the use of a total of nine bundles of boom, eight bundles of pads, and various wooden plugs, all of which were ultimately replaced by the owner’s contractor.

Finally, the submission includes an ER Pollution Report document dated 22 January 2019 that identifies the Vessel as being registered in St. Pierre and Miquelon. This document also notes that the Vessel’s hull was of fiberglass construction.

## **DETERMINATIONS AND FINDINGS**

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

The Incident resulted in oil pollution damage suffered, or the threat of such damage, within the territorial seas or internal waters of Canada, as well as in costs and expenses to carry out measures to mitigate 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) of the MLA.

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 potentially eligible for compensation.

Accordingly, the submission presents claims that are potentially eligible for compensation under section 103 of the MLA.

#### Identification of the Vessel

A brief investigation, including a search of Transport Canada records, was carried out in order to correctly identify the Vessel, which appears to have had “SP768079” printed on its hull, in addition to its name. No registration information related to a vessel registered in Canada under the name “MARCEL ANGIE II”. The Vessel appears instead to have been registered in St. Pierre and Miquelon. At the time of writing, a request for its registration documents is pending.

#### Findings on the evidence submitted by the CCG

*The facts of the Incident as set out by the CCG are generally accepted*

The CCG included with the submission a narrative and other documents which set out the facts of the Incident in some detail. The descriptions of material events contained in the CCG’s documentation are accepted as generally accurate.

*The pollution threat posed by the Vessel*

When the CCG was first notified of the Incident sometime after 11:00 on 11 December 2018, the Vessel was on fire and known to contain approximately 6,000 litres of diesel, having been recently refueled, as well as about 800 litres of hydraulic oils. While the fire appeared to be under control by 13:40, it became clear that the Vessel was sinking. The owner stated that insurance was in place, and that some manner of response was in the works, but the details were unclear at this early stage and a language barrier complicated matters.

At 14:10, the Grand Bank Harbour Master informed the CCG that the Vessel had rolled onto its side. Its fuel vents appeared to be secure, not having been submerged at that stage, but the situation was evolving and the fire continued to burn. For all of these reasons, it is accepted that the Vessel posed an oil pollution threat on 11 December 2018. A discharge of oils occurred thereafter, and the threat of further discharges continued until 18 December 2018, at which time the CCG confirmed that all accessible oils had been removed from the refloated Vessel.

*The decision to deploy ER personnel to the scene of the Incident was reasonable*

The decision to deploy an ER team equipped with a response trailer to Grand Bank was reasonable in the circumstances. While the CCG personnel were in transit, some details on the owner's response plan began to emerge, but contractors were not yet on scene and the situation was still developing, perhaps more likely to worsen before it improved. In light of the fire and the quantity of oils known to be on the Vessel, it is understandable that the CCG wanted to position its own personnel on scene to monitor, support, or even assume control of the owner's recovery operation should things have gone wrong. The Vessel and its insurer were non-Canadian and presumably unknown quantities, and a quick emergency response from St. John's would have been practically impossible: weather conditions were poor and Grand Bank was over 350 kilometres away.

#### *The scope and continuation of ER deployment*

While the decision to send ER personnel to Grand Bank is supported on the evidence, the CCG has not justified its decision to send three personnel rather than two. It is generally accepted that operations requiring long-distance travel by road justify the involvement of two personnel at minimum, if only for safety reasons. Again for safety reasons, but also for operational purposes, deployments involving the use of a CCG vessel often justify the use of three personnel.

Here, the situation was somewhat uncertain and Grand Bank was distant. CCG personnel brought with them a response trailer equipped, *inter alia*, with sorbent materials that might reasonably require two personnel to deploy without any assistance from the owner or his contractors. These factors help to justify the deployment of two personnel. But without a CCG vessel in tow, it is not clear why a third individual was considered necessary. When it deployed its ER team, the CCG was aware that the Vessel was insured and that its owner planned to mount a response of some kind. Even if things had gone wrong with the owner's response, however, it is not clear what additional value a third ER technician would have brought, as the response would presumably have remained largely in the hands of contractors. Accordingly, only costs associated with two CCG personnel, BH and JW, have been accepted.

Because of the continuing pollution threat, the complexity of the recovery operation, and the noted assistance rendered by CCG personnel, the continued deployment of BH and JW for the duration of that operation, from 11 through 18 December 2018, is considered reasonable. So too are the hours worked by those two personnel.

#### **CLAIM AND OFFER DETAILS**

The CCG presented its costs and expenses to the Fund across six schedules, each of which is outlined below.

Under Part 7 of the MLA, the measures taken to respond to an oil pollution incident and the resulting costs must be reasonable in order to be compensable by the Fund. To the extent that reasons are not already set out in this letter, the below explains why certain portions of the CCG's claim have been allowed while others have been disallowed.



Schedule 3 – Travel

Claimed: \$3,917.30

The CCG claims \$1,610.00 in accommodations costs for its three responding personnel, who spent seven nights in two cottages at Garnish, about 40 kilometres by road from Grand Bank. While other options might have been available, it is accepted that short-notice December availability for open-ended use of up to three rooms may have been limited or non-existent. Although daily commuting from Garnish to Grand Bank and back served to drive up fuel and labour costs, the decision to house personnel in Garnish is accepted as reasonable, as are the costs associated with the lodgings there.

For the reasons already set out in this letter, only the travel costs associated with employees BH and JW have been accepted. Because the cottages at Garnish were evidently large enough to be shared by two CCG personnel (JW appears to have shared one with a colleague), only the costs associated with one of these cottages, totaling \$805.00, are accepted.

In addition to accommodations costs, the CCG claims \$769.10 in *per diem* costs for each of its three responding personnel (see Figure 5). The *per diem* rates claimed align with Treasury Board allowances in place at the time of the Incident, and these are considered reasonable. As with accommodations, only the *per diem* amounts associated with CCG employees BH and JW, which total \$1,538.20, are accepted.

**The travel portion of the submission is allowed in the amount of \$2,343.20.**

Schedule 4 – Salaries – Full Time Personnel

Claimed: \$4,775.59

The CCG seeks to recover salary costs associated with three of its ER personnel. For the reasons already set out in this letter, only costs associated with two of those personnel, BH and JW, are considered compensable.

As set out in Table 1, those two personnel worked a total of 37 regular salaried hours each in the course of the CCG's response to the Incident. The associated regular salary costs, including 20% markup that represents the cost of the CCG's employee benefits plan, totaled \$1,741.96 for BH and \$1,613.94 for JW. Both of these amounts are considered reasonable, and both are accepted.

**The salaries portion of the submission is allowed in the amount of \$3,355.90.**

Schedule 5 – Overtime – Full Time Personnel

Claimed: \$8,980.72

The CCG seeks to recover overtime costs associated with three of its ER personnel. For the reasons already set out in this letter, only costs associated with two of those personnel, BH and JW, are considered compensable.

As set out in Table 1, the CCG seeks compensation for overtime for each of its personnel at two different rates, both of which are multiples of regular salary rates less employee benefits costs. As observed in notes 2 and 3, above, it appears that the CCG has made errors in calculating the number of hours worked at the 1.5x rate for both BH and JW. An extra hour at this rate appears to have been claimed for JW; the opposite is true for BH. As these

minor discrepancies more or less cancel one another out, they have been ignored. The claimed overtime amounts for both BH and JW are considered reasonable, and both are accepted in full.

**The overtime portion of the submission is allowed in the amount of \$6,463.08.**

Schedule 11 – Pollution Counter-measures Equipment Claimed: \$1,111.12

The CCG submission contains documentation in support of the eight-day use of a response trailer, though this item is not included in its cost summary. It is considered that this omission most likely resulted from a claim compilation oversight. As has already been noted, the use of the response trailer is considered reasonable. Furthermore, the day rate associated with its use is considered reasonable. For these reasons, the costs associated with the use of the response trailer are accepted.

**The pollution counter-measures portion of the submission is allowed in full.**

Schedule 12 – Vehicles Claimed: \$1,190.02

The CCG used one vehicle during its eight-day response to the Incident, a diesel-powered Ford F-450. The CCG claims a day rate of \$67.56 for the use of that vehicle, plus fuel costs of \$649.54, which costs are supported by receipts.

For the reasons set out above, it is accepted that sending CCG personnel to the site of the Incident was reasonable in the circumstances. Furthermore, the vehicle expenses sought are reasonable, and in line with federal costing guidelines. Though claimed fuel costs significantly exceed the \$0.22 per kilometre default rate cited in Figure 7, it is considered that the fuel receipts provided by the CCG support a finding that a higher actual cost was incurred during this particular response.

**The vehicles portion of the submission is allowed in full.**

Schedule 13 – Administration Claimed: \$292.82

This portion of the CCG's claim appears to represent a percentage of the claimed amounts for travel and regular salary costs (see Figure 8). On closer review, however, the ultimate claimed amount for administration costs does not flow mathematically from the numbers presented by the CCG. As a result, it is not at all clear how this amount was calculated.

A reasonable administration cost for the CCG's response to the Incident has been substituted, calculated using the generally accepted rate of 3.09% applied on top of established travel and regular salary costs, exclusive of the 20% markup associated with employee benefits plan costs.

**The administration portion of the submission is allowed in the amount of \$158.82.**

## OFFER SUMMARY AND CLOSING

The following table summarizes the claimed and allowed expenses:

Schedule	Claimed	Allowed
3 – Travel	\$3,917.30	\$2,343.20
4 – Salaries – Full Time Personnel	\$4,775.59	\$3,355.90
5 – Overtime – Full Time Personnel	\$8,980.72	\$6,463.08
11 – Pollution Counter-measures Equipment	\$1,111.12	\$1,111.12
12 – Vehicles	\$1,190.02	\$1,190.02
13 – Administration	\$292.82	\$158.82
<b>Totals</b>	<b>\$20,267.57</b>	<b>\$14,622.14</b>

*Table 2 – Summary of amounts claimed and allowed*

Costs and expenses in the amount of \$14,622.14 are accepted and will be paid together with statutory interest calculated at the date of payment if the Offer is accepted.

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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, the Administrator 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