

6000 Finance/Administration

6100 Finance/Administration Section Organization

The Finance/Administration Section is responsible for documentation of all incident costs, and for providing guidance to the Incident Commander/Unified Command on financial issues that may have an impact on incident operations. The [Financial Resource Management Guide \(FFRM\)](#) is designed to succinctly describe contracting and financial management processes and procedures. It covers roles and responsibilities, principal terms, definitions, and contracting policies and procedures for financial management and documentation requirements. It also provides references and related information where appropriate. Another useful resource is the [NPFC User Reference Guide](#).

The Finance/Administration Section is generally set up for any incident that may require on-site financial management. The IC/UC will determine the need for a Finance/Administration Section, and designate an individual to perform the role of Finance/Administration Section Chief (FSC). If no Finance Section is established, the individual members of the Unified Command will perform finance functions for their agency/organization component. In general, the decision to establish a Finance/Administration section will depend on two factors:

1. The financial complexity of the response
2. The number of tactical assets deployed (usually measured by the number of tactical divisions/groups established or likely to be established)

In general, sections are integrated under a unified command to varying degrees depending upon the nature of the work and restrictions on standard operating procedures. The Planning Section, for instance, is highly integrated with “agency stovepipes” completely eliminated. At the other end of the spectrum, the Finance/Administration Section deals with employees, equipment, procurements, and contracts completely bound by different agency policy and legal requirements. In most instances these different agency requirements cannot easily be resolved, and the Section normally operates almost as a grouping of agency “stovepipes” within each Unit, integrated into a coherent whole by the Unit Leaders and Section Chief. Figure 6-1 is the typical makeup of a fully activated Finance/Administration Section. The actual size of the Section will be based on the needs of the incident.

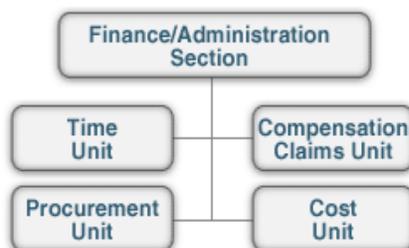


Figure 6-1. Typical Finance/Administration Section organization when fully activated.

The [Finance/Administration Section Chief \(FSC\) ICS Job Aid](#) and [IMH Chapter 10](#) offer further information regarding the requirements and expectations of the FSC and the Finance/Administration Section.

External Resources to Support Finance/Administration Section

- ❑ USCG National Strike Force
- ❑ USCG LANTAREA Incident Management Assist Team
- ❑ Seventh Coast Guard District Response Advisory Team (DRAT)
- ❑ USCG Shore Infrastructure Logistics Center (SILC)

6200 Fund Access

As discussed in [Section 1400](#) of this plan, the National Response System places responsibility for conducting clean up on the responsible party as a matter of policy. In practices, however, the involvement of the state, local, and federal agencies in various phases of the response are significantly more involved. The National Pollution Fund Center refers to the National Contingency Plan's four phases of a response:

Phase I: Discovery and Notification;
Phase II: Preliminary Assessment and Initiation of Action;
Phase III: Containment, Countermeasures, Cleanup and Disposal; and
Phase IV: Documentation and Cost Recovery.

Certain federal, state, and local government costs incurred during Phase II Assessment may be chargeable against the OSLTF, but may not all be billed against the Responsible Party during cost recovery Phase IV.

Further, Unified Command members come to the response with objectives that overlap on the subject of pollution removal but often extend beyond this matter. The Responsible Party Incident Commander for instance will normally have key objectives of the response directed toward repairing damage and returning a vessel or facility to operation. In the case of an abandoned vessel, the marina or dry-dock owner will normally have objectives of having the derelict vessel removed/eliminated after the pollutant is removed. While these may at first appear to be post-response objectives, these decisions and matters deeply influence the response itself. For example, non-response derelict vessel disposal strategies will influence the response decision on how clean the derelict hull must be rendered in order to assure it poses no additional threat to the environment.

Various financial mechanisms available to the members of the Unified Command each come with stringent limitations and intended employment. For this reason, one of the most important decisions the Unified Command must come to during the first Unified Command meeting is an agreement about how financial responsibilities will be shared. The remainder of this section details some considerations in making these decisions.

6210 Limitations in the Employment of the OSLTF and CERCLA

- 1. Missions Other Than Pollution Removal.** The federal, state, and local government response to an incident will typically include search and rescue, law enforcement, safety of navigation (including placing Aids to Navigation and salvage of sunken vessels), port safety, and maritime homeland security. However, only those actions whose primary purpose is removal (i.e., the containment, removal, and disposal of oil discharges or hazardous materials releases, including other necessary actions to minimize or mitigate an actual or potential threat of pollution to the public health, welfare, or environment) and which are consistent with the NCP may be paid or reimbursed by the OSLTF or CERCLA. **The first key financial decision of the UC is how other mission objectives will be funded, and then followed through by funding instructions to the Finance/ Administration Section.**
- 2. Employment of State and Local Agency Pollution Response Resources.** From the outset of any response, the FOSC should establish whether state or local resources are necessary for removal actions. The UC, based on this decision, must carefully define the scope of the state or local agencies expected actions and allow the FOSC's staff to evaluate potential claims against the OSLTF or CERCLA. When a state or local agency responds under this type of agreement, the Coast Guard representatives in the Finance/ Administration Section must execute a Pollution Removal Funding Authorization with the agency's financial representative. The PRFA assures the agency will be reimbursed for specific work performed at the FOSC's request.

The second key financial decision of the UC is which actions will be completed by state and local agencies at the FOSC's request (and paid for using a PRFA), and which will be undertaken by these agencies as independent members of the UC (using funding mechanisms other than the OSLTF or CERCLA).

- 3. Federal Vessels and Installations.** The NCP places the responsibility for spills from federal vessels and installations on the owning federal agency, including use of its own funding. However, the FOSC can use the OSLTF or CERCLA as a last resort to clean up or prevent oil discharges or hazardous material releases. When the responsible federal agency is capable of funding the clean up, the FOSC should attempt to establish a Military Interdepartmental Purchase Request (MIPR) or equivalent to reimburse the use of FOSC and other government agency pollution response equipment and personnel time. **The third key financial decision of the Unified Command is to establish mechanisms (such as a MIPR) to finance FOSC and state/local agency response activities when the spill comes from a federal vessel or installation, and to determine when the last resort OSLTF/CERCLA access is needed.**

- 4. Damage Claims and Removal Activities.** Claims of damage may be submitted for reimbursement (when approved) from the OSLTF. Often, such damage claims include the costs of restoring a vessel, facility, etc., to operation (as in the case of a third-party vessel which is oil contaminated as a result of the spill). Actual decontamination of a vessel, facility, or other installation may also reasonably be a removal action (i.e., to prevent further human health, economic or environmental damage), and the question of overlaps between damage claims and removal actions arises. Rather than simply a question of funding mechanisms, these questions impinge directly on which clean-up strategies and objectives the UC will execute, particularly during the later stages of the response. **The fourth key financial decision of the UC is to establish how removal strategies and actions will impact damage claims and establish a single, uniform policy for handling these overlaps, usually in consultation with the NPFC's case manager.**
- 5. Replenishment of Response Equipment to Inventory.** The OSLTF may be used to restore pollution response equipment to inventory in the condition it was in before the response. Items used up in the response (consumables) or damaged beyond economical repair may be replaced. **The fifth key financial decision the UC faces is how equipment will be evaluated at the start of the response, and how the condition will be assessed during demobilization for replenishment/repair purposes, along with the financial arrangements for accomplishing the replenishment.** Again, this replenishment decision can extend only to response equipment used for oil pollution removal, not toward other objectives.
- 6. Discharges causing Underground Contamination.** Discharges from oil tanks and related facilities often cause extensive subsurface or groundwater contamination. When underground contamination has migrated so as to cause an actual surface discharge or substantial threat of a discharge into navigable waters, the OSLTF or CERCLA may be used for removal. When these imminent threat or actual discharge conditions are not met, the incident is considered a hazardous materials incident ashore under municipal, county, and state hazardous material discharge rules. **The sixth key financial decision is how various aspects of a response causing underground contamination will be treated (i.e., threat to the navigable waters or not), and consequently how the response will be funded.**
- 7. Preferred or prioritized Sources of Supply.** Many, if not all, of the agencies and organizations responding to a spill will have pre-arranged sources of supply and service, and all will have legal and procedural limitations on procurements. While the emergency elements of the response may expedite procurements, it does not eliminate the rules governing procurement.

Accordingly, the seventh key financial decision is to sort out procurement and contract responsibilities between the agencies/organizations in the UC based upon preferences and prioritization of sources of supply.

8. **Limits of Liability.** In a large response, there is significant possibility that the RP's limits of financial responsibility will be exceeded, opening the possibility that the response may transition entirely to FOSC/SOSC control. **The eighth key financial decision is to agree upon an appropriate means of tracking the RP's financial commitment, an approach to these limits, and process for deciding when and how any transition in the UC will occur.**

6220 FOSC Access to OSLTF and CERCLA

The Oil Spill Liability Trust Fund and the Comprehensive Environmental Response, Compensation and Liability Act are accessed by obtaining a Federal Project Number (for oil spills) or CERCLA Project Number (for hazardous substance releases) using the Ceiling and Number Assignment Processing System (CANAPS).

OPA90 OSLTF

The OSLTF applies to funding responses only when the following two conditions are both met:

- There is a discharge of oil (as defined in 33 USC Section 2701(23)), or a substantial threat of a discharge of oil:
 - Into the navigable waters;
 - On the adjoining shorelines;
 - Into the waters of the exclusive economic zone; or
 - That may affect natural resources under exclusive management authority of the United States.
- There are further actions necessary to ensure effective and immediate removal, mitigation or prevention of the substantial threat.

Under OPA 90 the FOSC may allow the RP to continue all response efforts within their capability. The FOSC may simultaneously secure and direct additional response efforts using contractors or government personnel and equipment.

The OSLTF has \$50 Million in the Emergency Fund available for funding emergency removal of oil, and a maximum of \$500 Million per case to remediate natural resource damages. A maximum of \$1 Billion is available per case to pay for costs and damages associated with an oil spill.

CERCLA Superfund

CERCLA funding for responses generally applies when the following three conditions are all met:

- ❑ A hazardous substance (not oil under 33 USC 2701(33)) has been released, or there is substantial probability that it will be released;
- ❑ The release (or probable release) presents an imminent and substantial threat to the public health or welfare; and
- ❑ The RP is failing to take appropriate actions or it is necessary to monitor the actions of the RP to assure they are taking appropriate actions.

The FOSC can obligate no more than \$249,999 per incident without an approved Action Memorandum. There is no CERCLA funding for compensation payments to claimants damaged by hazardous substances.

How are OPA90 and the OSLTF different from CERCLA and Superfund?

Although not comprehensive, the table below summarizes some of the differences.

	OPA & OSLTF	CERCLA & Superfund
Law Enacted	1990	1980
Type of Pollution Covered	Oil spills & threats of spills into U.S. navigable waters (usually sudden events requiring immediate response)	Hazardous substances, pollutants, & contaminants (often result of newly discovered past pollution with response requiring extensive planning & public participation)
Fund Administrator	NPFC, Coast Guard	EPA (NPFC administers only the Coast Guard use of Superfund resources)
Uses of Fund	Spill response and cleanup Claims for removal costs and damages, including natural resource damages Appropriations by Congress	Short-term removals when prompt response is required Long-term remedial response actions Appropriations by Congress
Source of Funds	Tax on oil Transfers from other funds Cost recovery Interest on Fund balance Fines & penalties	Tax on chemical & petroleum industries (expired 1986) Cost recovery Annual Congressional appropriations
Size of Fund	Authorized up to \$2.7 billion	Varies depending on Congressional appropriations

Should an FPN or CPN that has been obtained prove unnecessary (no funds expended), the OSC must inform the NPFC of this fact so they can de-obligate funds for the FPN or CPN.

During a spill the Coast Guard will monitor the activities of all contractors hired by the FOSC as well as document its own costs. Other agencies will document their costs on the appropriate forms. At the end of the response all documentation will be submitted to the FOSC for verification and forwarding to the NPFC and SILC.

6230 Trustee Access to OSLTF and CERCLA

Administrative Trustees are organizations, such as the Department of Interior, with responsibilities for specific areas or natural resources. OPA90 authorizes these organizations access to the fund through one administrative trustee known as the Lead Administrative Trustee (which must be a federal agency). The designation of Lead Administrative Trustee is made for each spill based on the involvement of each organization. Administrative trustee access to the emergency fund would most likely be limited to beginning the damage assessment process. The Lead Administrative Trustee may request funding directly from the NPFC case officer for the purpose of initiating damage assessments. The NPFC case officer will inform the FOSC that funds have been requested by the Lead Administrative Trustee.

Role of Trustees in the Funding Process

- ❑ Trustees must coordinate with each other during all phases of NRDA to ensure no double recovery of damages.
- ❑ In the pre-assessment phase of a NRDA, all affected trustees must select a Federal Lead Administrative Trustee, who is then responsible for coordinating the effort and submitting necessary paperwork to NPFC.
- ❑ Trustees assess damages for “injury to, destruction of, loss of, or loss of use of” natural resources.
- ❑ Trustees develop restoration alternatives to address any injury to natural resources, from which they select the most appropriate alternative to implement.
- ❑ Trustees must also coordinate with the FOSC during the NRDA process to avoid interference with the ongoing response.

6240 State Access to OSLTF and CERCLA

State (i.e., Commonwealth and Territorial) access to OSLTF and CERCLA funds, as outlined in 33 CFR 133, provides an avenue for states to receive federal funds for immediate removal costs resulting from their response to actual or threatened discharges of oil. State access does not supersede or preclude the use of other existing federal payment regimes. The State should not seek and will not receive payments for the same costs from more than one payment regime. States may access funds via one of three methods:

- ❑ File a claim with the NPFC within 6 years of the cleanup.
- ❑ Have the FOSC obtain a FPN/CPN and then issue a Pollution Removal Funding Authorization to the state with a ceiling and time limit. The FOSC will then review all documentation prior to submission to the NPFC.

The [Technical Operating Procedures](#) serve as Coast Guard guidance for various fund users. They provide formatting, forms, and instructions for compiling and submitting documentation efficiently and effectively.

6250 PRFAs

The Pollution Removal Funding Authorization is a tool available to the FOSC to quickly obtain needed services and assistance from state, local, or other federal government agencies during oil spill or hazardous materials response actions. The PRFA commits the OSLTF or CERCLA administered by the NPFC to payment of costs incurred in pollution response activities. Under the terms of a PRFA, the FOSC may agree to reimburse another government agency for costs incurred in providing any agreed upon assistance to the FOSC. In this case, the FOSC would provide a PRFA and coordinate with the assigned NPFC Case Officer. (Note that there are separate forms for federal and non-federal agencies.) The assisting government agency receiving a PRFA must track its costs and provide documentation to support reimbursement. Cost documentation must follow the guidelines outlined in the [NPFC Technical Operating Procedures for Resource Documentation](#).

Of special significance are cases where wildlife cleaning/rehabilitation are necessary. The Department of the Interior, specifically the U.S. Fish & Wildlife Service, is responsible for ensuring wildlife issues and concerns are addressed. A PRFA should be issued to USFWS early in the spill response with the assurance that they will identify and oversee a responsible contractor (example: Tri-State Bird Rescue and Research, Inc.) to clean and rehabilitate affected wildlife.

Process to Request PRFA

1. Download and complete the appropriate form below.
2. Attach the Statement of Work (see sample below) and Good Faith Cost Estimate.
3. Sign the PRFA.
4. Email or Fax a copy to the NPFC Case Officer.
5. Later submit the completed document with the [Incident Report and Transmittal Form](#) to the NPFC Case Officer.

Instructions	Chapter 8 of the <i>Resource Documentation TOPs</i> provides detailed instructions for using and completing the PRFA forms.
Federal Agency PRFA	Download and complete this form to establish a PRFA with a federal agency.

Non-Federal Agency PRFA	Download and complete this form to establish a PRFA with a state or local government.
Amendment to PRFA	Download and complete this form to amend an existing PRFA with either a federal or non-federal government agency.
Sample Statement of Work	The sample Statement of Work (SOW) lists specific removal actions that are ordered through PRFAs.

6260 Stafford Act Funding

Under the Stafford Act, when there is a Presidential declaration of a major disaster or emergency, the Coast Guard FOSC may receive direct tasking in the form of a Mission Assignment – a work order issued by the Federal Emergency Management Agency (or other designated agency) directing the recipient agency to complete a specified task. The Emergency Support Function 10 (ESF-10) Hazardous Materials Response Annex of the Federal Response Plan includes both Oil and Hazardous Materials response activities. In the execution of a mission assignment, the FOSC will use existing funds, resources, and contracts for goods and services to complete the task. The FOSC will then review the actual expenses against the estimated costs and make payments to other government agencies (OGA) and private vendors for each cost.

For oil spills and hazardous materials releases, the FOSC will receive a Request for Federal Assistance from an Interagency Agreement (IAG), FEMA or the ESF lead agency, including a cost ceiling, and will then proceed to respond as normal using the OSLTF and CERCLA funds, (Reference Section 6270 for FEMA funded ESF #10 responses), including the Request for Federal Assistance form in the cost documentation. It is important to recognize that Stafford Act funds, like OSLTF and CERCLA funds, may only be applied to response costs directly related to the tasking, and the Stafford Act ceiling must be managed carefully just as other fund ceilings are managed.

Reference [USCG COMDTINST 16451.1, Disaster Related Pollution Response Activities under the National Response Framework and Cost Reimbursement from the Stafford Act for additional guidance](#), [USCG COMDTINST 16000.14A, Marine Environmental Response and Preparedness Under the National Response Framework \(NRF\) in Support of Emergency Support Function ESF#10](#), and [FEMA/EPA MOA: Policy Guidance on ESF-10 Mission Assignments](#).

6260.1 National Response Framework Key Concepts

Emergency support functions. The NRF groups disaster response actions into 15 functional areas known as ESFs and assigns a federal agency to chair each ESF and administer its response actions. While it is possible for USCG units to provide support under any of the ESFs, the two most likely ESFs for response and possible Chair/Co-chair responsibilities are ESF-1 (transportation) and ESF-10 (oil/HAZMAT response).

The USCG's role and responsibilities for ESF-10 include all of those contained in the NCP as well as releases of hazardous materials beyond those covered under the NCP (e.g., household hazardous waste cleanup). The NCP is incorporated in its entirety into the NRF under ESF-10.

Mission assignments. The administrative vehicle by which FEMA tasks a federal agency to respond is known as a mission assignment. The mission assignment is a task-specific work order identifying response operations to be executed under an assigned ESF. The primary response agency may enlist the assistance of other federal agencies by issuing an interagency agreement. Federal agencies must use their own funds in the execution of a mission assignment or IAG, and then seek reimbursement from FEMA. It is imperative that USCG units and other agencies operating at the request of the FOSC receive a mission assignment or IAG for any FEMA (or primary agency) tasking as FEMA will not reimburse for emergency services rendered if a mission assignment or IAG does not specify those services. However, response units should not delay responses that fall under existing statutory authorities/responsibilities waiting for a mission assignment or IAG. The FOSC should direct the response and allow higher authorities to work out the funding.

FEMA may assign a limited number of pre-Stafford Act declaration mission assignments in order to stage federal and FOSC-requested response assets for events related to forecasted disasters such as hurricanes. In the past, the USCG has pre-staged personnel via these pre-declaration mission assignments. The process is slightly more involved, emphasizing the need for close coordination between CG District staffs, Area, NPFC, FEMA and EPA prior to a disaster response.

Regional Response Coordination Center (RRCC). Upon a Stafford Act declaration, FEMA activates the appropriate RRCC. The RRCC coordinates federal response efforts until a Joint Field Office (JFO), staffed by an Emergency Response Team (ERT), is established in the field and the FEMA Federal Coordinating Officer (FCO) assumes coordination responsibility (note: there is generally one JFO per impacted state). The FCO has the legal authority to assign missions to federal agencies. The RRCC generally operates from the FEMA regional office for the affected area. Primary functions of the RRCC include: communicating with the impacted state(s); coordinating deployment of the ERT-A (emergency response team – advance element) to field locations; assessing damage information; and developing initial mission assignments.

USCG/FOSC staffing support for the RRCC. If the disaster impacts the coastal zone, the USCG will normally provide one person knowledgeable in USCG/Area Contingency Plan response capabilities to the RRCC to ensure the interests and capabilities of the USCG are recognized at the outset of response operations and to coordinate the initial issuance of mission assignments/IAGs. Typically, the Seventh Coast Guard District office will provide this person.

The individual assigned must have sufficient experience and maturity to work with mid-to-upper level management personnel from other agencies and to operate under stressful conditions for long hours. Districts normally ensure personnel are rotated every two-to-three weeks to avoid response fatigue.

State Emergency Operations Center (EOC). During a disaster response each state will activate an EOC to coordinate state response efforts and requests for federal assistance.

USCG/FOSC staffing support for an EOC. The Seventh Coast Guard District will normally provide a senior officer as an Emergency Preparedness Liaison Officer (EPLO) to each activated EOC. The EPLO advises the state on USCG/FOSC response capabilities, identifies response requirements appropriate for USCG / FOSC intervention, assists in requesting federal assistance via the RRCC or JFO, and keeps the district informed of pending request, capability requirements, etc. It should be emphasized that the EPLO's role is not a "fishing" expedition to look for work for the FOSC, but as a technical advisor informing the state on USCG / FOSC capabilities/ existing responsibilities and processes for obtaining USCG / FOSC assistance.

Emergency Response Team (ERT). The ERT is the multi-agency response staff that includes the regional chair and support staff for each activated ESF. The ERT is located in the JFO. For incidents that impact just the coastal zone and require ESF-10, the USCG will be the regional ESF-10 incident chair with EPA as the vice-chair. For incidents that impact both the inland and coastal zones and require ESF-10, EPA will be the regional ESF-10 chair and the USCG the vice-chair. The USCG does not staff ESF-10 for incidents that do not impact the coastal zone.

- (1) USCG/FOSC staffing of the ERT. The Coast Guard Seventh District fills the USCG role as ESF-10 chair/vice-chair. As it is unlikely that a district division chief would be able to leave the district office during a major disaster response, he/she has designated a senior member of his/her staff to perform this function. The ESF-10 chair/vice chair will be supported by USCG and EPA personnel/watch standers.
- (2) Emergency Response Team - Advance Element. Prior to the establishment of the JFO and the ERT, an ERT-A is deployed to each impacted state. The ERT-A is the initial federal interagency group to respond to an incident. The ERT-A normally deploys to the state EOC to obtain and evaluate disaster-related information, identify specific state requirements for federal response assistance and establish a location for the JFO. Typically, the JFO will be located as close to the impacted area as possible as designated by the FCO. Once the DFO is ready, the ERT-A folds into the ERT and helps to staff the JFO. USCG/FOSC participation on the ERT-A is critical for identifying tasks appropriate for the USCG/FOSC, aligning response operations with mission assignments and providing a conduit to USCG/ FOSC resources.

As with the EPLO, USCG personnel assigned to an ERT-A are not looking for work, but ensuring that support requested by the state is tasked appropriately.

USCG/FOSC staffing support to the ERT-A. For incidents requiring ESF-10 support that impact the coastal zone, at least two USCG watch standers will be assigned to each ERT-A to support 24/7 operations. The Seventh Coast Guard District will coordinate USCG watch standers. Watch standers must be able to speak with authority on behalf of the USCG and FOSC(s) and have sufficient experience and maturity to interact with senior members of federal, state, or local agencies.

6300 Cost

Cost Documentation and Recovery Procedures, Forms and Completion Report

There are three primary aspects to successful cost recovery and documentation of significant pollution events: rapid start; dedicated personnel; and correct forms and submission procedures.

The requirement for a rapid start to documentation will be apparent upon examining the necessary forms and procedures. Whenever this plan is activated (i.e., the response exceeds the vessel or facility response plan, the state or federal government take an interest, or when there is no responsible party taking action), the following procedures must be executed by the Cost Unit:

- ❑ Determine whether OSLTF funding applies. Based upon Unified Command decisions on response action funding, determine whether other sources of funding apply.
- ❑ Estimate the OSLTF and other funding ceilings required. In many responses, both an OSLTF and CERCLA ceiling will be established, with various response costs charged against one fund or the other depending on the decisions of the Unified Command and the limitations of the two funds. Similarly, other funds (such as for Search and Rescue, vessel salvage, and so on) may also be established, each with its own independent ceiling.
- ❑ Obtain a FPN for the OSLTF fund, a CPN for the CERCLA Fund, and authorized ceilings for each.
- ❑ If any fund advice is needed, contact the NPFC Regional Case Manager (Miguel Bella) at (202) 795-6069. If the Regional Manager is not available, the NPFC Command Duty Officer can be reached at (800) 280-7118 during normal work hours (0730-1600 EST) or at (202) 494-9118 after hours. Additionally, the National Response Center may provide assistance as needed and can be reached at 800-424-8802, 24/7.
- ❑ Obtain copies of PRFAs and Authorizations to Proceed from the Procurement Unit.
- ❑ Identify and distribute the appropriate cost documentation forms.

- ❑ Monitor contractors for all agencies on a daily basis. Collect both receipts and Daily Resource Reports ([see Section 6610.1 Pollution Incident Daily Resource Report \(CG-5136\)](#)) from the Time Unit.
- ❑ Monitor USCG and other UC operational forces on a daily basis. Collect copies of aircraft and vessel logs in addition to Daily Resource Reports (form CG-5136 series) from the Time Unit.
- ❑ Monitor other government agency (OGA) operational forces on a daily basis. Collect SF-1080 or SF-1081 vouchers and supporting documentation. Normally, the type of required documentation will be detailed in the PRFA.
- ❑ Add up obligations from all three venues (contractor, UC, and OGAs) against each fund ceiling (for this reason, it will be imperative to understand fully UC decisions about which actions/contracts are directed to be made against which funding source). Include direct costs (Type I costs) and Anticipated Costs (estimates or Type II costs) and track the obligations against the various ceilings on a daily basis.
- ❑ Well before a ceiling is actually reached, project the “burn rate” and advise the UC when a ceiling must be increased.
- ❑ With UC approval, increase various fund ceilings.
- ❑ Compile and maintain a daily inventory of all equipment purchases.
- ❑ Maintain daily reports of costs against a ceiling as required by the NPFC (for the OSLTF ceiling) and each other fund/ceiling. Develop a daily display and post copies at each Situation Unit Display under the direction of the SITL and Display Processor.
- ❑ After the response, certify contractor invoices within the required timeframe. For NPFC/OSLTF contracts, the required timeframe is ten days. Be certain to obtain and clearly identify the required timeframe for all other funds and track unit performance against these required cycle times.
In general, certification will require acknowledgement from the Operations Section that the invoiced goods or services were received, and acknowledgement from the appropriate contracting official (depending on agency/organization) that the cost for the good or service are as per the agreement.
- ❑ Forward all approved contractor invoices to the appropriate agency processing center for payment, keeping copies for the Unified Command’s records.
- ❑ Within 120 days of the end of the cleanup, complete Financial Summary reports for each project number managed by the Section.
- ❑ There are two principle sources of assistance in documenting costs that are available to all organizations. These are the assigned Case Officer at the NPFC and the DRAT. Although these sources are available to all organizations, it may be more efficient to coordinate their assistance through Sector San Juan. There are two alternatives for non-federal organizations concerning forms on which reimbursable costs are documented. The first alternative is the organization’s documentation form that has been pre-approved by the NPFC. If an organization lacks a pre-approved documentation form it may use the federal forms. Personnel rates will be determined to the maximum extent in advance.

BOA contractor rates are fixed. Standard rates for CG personnel are contained in Commandant Instruction 7310.1 (series). Other agencies are encouraged to have established personnel rates that can be furnished to the FOSC. For organizations and contractors not having standard rates, this fact should be made known to the FOSC early in the spill so that it may be addressed.

- ❑ In spills where total expenditures are expected to be less than \$50K, cost documentation may be collected by the FOSC and forwarded to the NPFC at the conclusion of the spill response. In larger spill responses this information must be compiled and forwarded daily to the FOSC and then the NPFC.

FOSC Paperwork Examples

The following formal documentation is available as tools for FOSCs. Examples of these forms can be provided upon request to the designated Federal On-Scene Coordinator Representatives at Sector San Juan:

- ❑ Authorization to Proceed
- ❑ Letter of Federal Assumption
- ❑ Letter of Designation of Source
- ❑ Administrative Order

Spill Response Funding Forms

Form Number	Title/Long Name	Users	Description
CG NPFC-CM01	FOSC Financial Management Checklist	FOSCs	Follow this step-by-step guidance when using the OSLTF Emergency Fund or CERCLA/Superfund and monitoring cost documentation during a response.
IRAT (PDF, Word Doc)	Pollution Incident Report and Transmittal Form	FOSCs	Use as the cover to the project's Final Financial Report.
CG 5136	Pollution Incident Daily Resource Report	Spill Responders, including FOSCs, Government Agencies, & OSROs	Use these forms to document oil spill incidents and expenditures.
PRFA Forms (see Section 6250)	Pollution Removal Funding Authorizations	FOSCs & Government Agencies	Use the Pollution Response Funding Authorization (PRFA) forms to quickly obtain needed services from other government agencies in oil spill and hazardous materials response actions.

Form Number	Title/Long Name	Users	Description
SF1080 & SF1081	Voucher for Transfers between Appropriations and/or Funds	Government Agencies	Use the Vouchers for Transfers to request reimbursement from the Coast Guard for funds expended during oil spill removal.
NPFC-16480 (Checklist)	Case/Cost Documentation Checklist FPNs & CPNs	FOSCs	Use checklist to help collect, prepare, and finalize cost documentation packages for submission to the NPFC.

6310 Certificate of Financial Responsibility Program

Puerto Rico and the U.S. Virgin Islands rely heavily upon tank ships, barges, and other vessels to transport oil and chemical-based products. An oil spill or hazardous chemical release from these vessels can have a devastating impact on our environment. Congress has made clear, in OPA90 and other environmental statutes, that the parties responsible for water pollution should bear the cleanup costs. The Certificate of Financial Responsibility (COFR) program reflects this guiding principle.

The U.S. Coast Guard's NPFC administers the COFR program. The Vessel Certification Division of the NPFC ensures that Responsible Parties are identified and held accountable for the expenses incurred during a water pollution incident.

A COFR is issued to vessel operators who have demonstrated their ability to pay for cleanup and damage costs up to the liability limits required by OPA90. With a few limited exceptions, vessels greater than 300 gross tons and vessels of any size that are lightering or transshipping oil in the Exclusive Economic Zone (EEZ) are required to comply with the COFR regulations in order to operate in US waters.

Limits of Liability

The limits of liability are based on a particular vessel's tonnage. The Delaware River Protection Act of 2006 (Title VI of the Coast Guard and Maritime Transportation Act of 2006 (MTSA)) amended the limits of liability under OPA90 for discharges and substantial threats of discharge of oil from vessels.

Penalties

Operators who do not comply with the COFR requirements are subject to:

- ❑ Detainment
- ❑ Denial of entry into U.S. ports
- ❑ Civil penalties
- ❑ Seizure or forfeiture of the vessel

COFR Forms

PUERTO RICO & U.S. VIRGIN ISLANDS
 AREA CONTINGENCY PLAN

The applicable COFR forms are listed below:

Form Number	Title/Long Name	Users	Description
CG 5585	COFR Application	Vessel Owners & Operators	Use this form to apply for a Certificate of Financial Responsibility (COFR). You may also apply for a COFR electronically through the E-COFR system .
CG 5586	Insurance Guaranty	Insurers/ Guarantors	Vessel owners & operators should ask their insurers to complete this form to show that they have adequate insurance to meet the applicable liability limits when applying for a COFR.
CG 5586-1	Master Insurance Guaranty	Insurers/ Guarantors	Vessel builders, repairers, scrappers, lessors, and sellers should ask their insurers to complete this form to show that they have adequate insurance to meet the applicable liability limits when applying for a Master Certificate.
CG 5586-2	Surety Bond Guaranty	Insurers/ Guarantors	Vessel owners & operators should ask their insurers to complete this form to show that they have adequate surety bonds to meet the applicable liability limits when applying for a COFR.
CG 5586-3	Financial Guaranty	Vessel Owners & Operators, COFR Guarantors	Complete this form to show that you have adequate working capital and net worth to be self-insured to meet the applicable liability limits when applying for a COFR.
CG 5586-4	Master Financial Guaranty	Insurers/ Guarantors	Vessel builders, repairers, scrappers, lessors, and sellers should ask their insurers to complete this form to show that they have adequate working capital and net worth to be self-insured to meet the applicable liability limits when applying for a Master Certificate.

6400 Time

A Time Unit shall be established during an incident to be primarily responsible for personnel and equipment time recording. The accurate reporting of time for personnel and equipment shall be conducted in the following manner:

Personnel

1. Establish and maintain a filing system for personnel within the first operational period. Initiate, gather, or update a time report from all applicable personnel assigned to the incident for each operational period. Maintain a log of excessive hours worked and give to Time Unit Leader daily.

2. Ensure that all personnel identification information is verified to be correct on the time report.
3. Post personnel travel and work hours, transfers, promotions, specific pay provisions and terminations to personnel time documents.
4. Ensure that time reports are signed. Close out time documents prior to personnel leaving the incident. Distribute all time documents according to agency policy.

Equipment

1. Advise Ground Support Unit, Facilities Unit, and Air Support Group of the requirement to establish and maintain a file of daily records for equipment time reports. Assist units in establishing a system for collecting these equipment time reports.
2. Post all equipment time tickets within four hours after the end of each operational period.
3. Prepare a Use and Summary invoice for equipment (as required) within 12 hours after equipment arrival at incident.
4. Submit data to Time Unit Leader for cost effectiveness analysis.
5. Maintain current posting on all charges or credits for fuel, parts, services and commissary.
6. Verify all time data and deductions with owner/operator of equipment.
7. Complete all forms according to agency specifications. Close out forms prior to demobilization. Distribute copies per agency and incident policy.

6500 Compensation/Claims

Persons and government agencies which incur damages as a result of discharges or substantial threats of discharges of oil are entitled to compensation and OPA90 provides for a mechanism to expedite this process. The RP is primarily liable for satisfying legitimate claims expeditiously. If the RP is either unknown, or is unable or unwilling to meet this obligation, or the claim is denied or remains unpaid for 90 days, the NPFC is authorized to evaluate and pay the claim from the OSLTF. This applies to both uncompensated removal costs and uncompensated damages resulting from the discharge. Section 1002 of OPA90 describes damages as including natural resources, real or personal property, subsistence use, revenues, profits and earning capacity, and public services. The RP, as designated by the FOSC, is required to advertise, in a manner directed by the NPFC, the name, address, telephone number, office hours, and work days of the person or persons to whom claims are to be presented and from whom claim information can be obtained. If the RP denies responsibility, proves unwilling or unable to deal with claims, or refuses to advertise, the NPFC will assume the role of responsible party for the purpose of receiving and paying claims. As such, the NPFC will advertise as described above, listing either their offices in Arlington, VA, or a locally established claims office, as deemed appropriate by the FOSC and NPFC for the case.

If parties have been adversely affected by an oil spill, they may be able to receive compensation. OPA90 defines the conditions under which they may recover costs and damages. To submit a claim they must:

1. Show that the spill meets all OPA requirements. ***Their claims manager cannot process the rest of their claims package until they have proven that the spill meets these requirements.*** (The [OPA Claims Requirements checklist](#) provides a step-by-step guide to help you decide if a spill qualifies.)
2. Document their costs and damages from the spill. (See the [Types of Claims](#) table below for a list of the kind of claims they can submit.)
3. Forward their claims package to the [National Pollution Funds Center](#), the Coast Guard office responsible for evaluating and approving OPA claims.

Types of Claims

Claim Type	Description	Who Can Submit
Natural Resource Damages (NRD)	Costs for: <ul style="list-style-type: none"> • Assessing an area's natural resource damages, • Restoring the natural resources, and • Compensating the public for the lost use of the affected resources. 	Only specially designated natural resource trustees
Removal Costs	Costs to prevent, minimize, mitigate, or clean up an oil spill. (The costs of cleaning up your own property fall under the category of property damage, not removal costs.)	Clean-up contractors, called Oil Spill Recovery Organizations (OSROs) Federal, State, and local government entities The responsible party : Anyone who helped clean up the spill
Property Damage	Injury to or economic loss resulting from destruction of real property (land or buildings) or other personal property. Does not include personal injury!	People or entities who own or lease the damaged property
Boat Damage	Injury to or economic loss resulting from damage to a boat (a subset of property damage).	People or entities who own or lease the damaged boat
Loss of Profits & Earning Capacity	Damages equal to the loss of profits or impairment of earning capacity due to the injury, destruction, or loss of property or natural resources	Anyone with loss of profits or income (You do not have to own the damaged property or resources to submit a claim under this category.)
Loss of Subsistence Use of Natural Resources	Loss of subsistence use claim if natural resources you depend on for subsistence use purposes have been injured, destroyed, or lost by an oil spill incident.	Anyone who, for subsistence use, depends on natural resources that have been injured, destroyed, or lost (You do not have to own or manage the natural resource to submit a claim under this category.)

Loss of Government Revenue	Net loss of taxes, royalties, rents, fees, or net profit shares due to the injury, destruction, or loss of real property, personal property, or natural resources	Federal agencies States Local governments
Increased Public Services	Net costs of providing increased or additional public services during or after removal activities, including protection from fire, safety, or health hazards, caused by a discharge of oil or directly attributable to response to the oil spill incident	States Local governments

6600 Procurement

The Procurement Unit is responsible for the following functions:

- ❑ Negotiate, coordinate, document, and manage all contracts needed to support response operations.
- ❑ Manage, coordinate, document, and account for all procurement orders needed to support response operations.
- ❑ Manage, coordinate, document, and account for all payments made to support response operations.
- ❑ Identify additional resources and logistics support needed to accomplish contracting and procurement services.
- ❑ Report on the status of contracting, procurement, and payment services.
- ❑ Administer all financial matters pertaining to vendor contracts.

Contracting Officer Authority

The Contracting Officer (KO) is responsible for administering all financial matters pertaining to vendor contracts, leases and fiscal agreements. See 7.12.9.1 of the [Financial Resource Management Manual](#) for authorities related to vendor and contract payments.

6610 Contractors

One of the best guides to assist FOSCs with correctly requesting and obligating federal government funds is the [NPFC User Reference Guide Chapter 3](#).

Procurement Processes and Procedures

Upon obtaining an FPN or CPN, the FOSC can determine whether assistance is needed from an oil spill removal organization (OSRO) or a federal, state, or local agency. The USCG Shoreline Infrastructure Logistics Center (SILC) manages OSRO contracting and should be notified as soon as a FPN/CPN is assigned in order to establish good communications between the SILC case officer and the FOSC. The SILC East Coast Team Leader, Mrs. Jackie Dickson, can be contacted 24/7 at (757) 615-2135 or at (757) 628-4108 during normal work hours. The Alternate Team Leader can be contacted at (757) 628-4497.

Contractor Assistance

A Basic Ordering Agreement is not a contract. Instead, it specifically identifies the terms and conditions for contractor personnel, equipment, and supplies in the event they are utilized during federal response activities.

The following website provides BOA contractor locations for pollution incidents: [SILC Emergency Response Branch](#). The *BOA in Effect List* provides a snapshot of the entire active BOA's available to CG FOSCs.

Hiring a Contractor with a BOA

In the event that a pollution response is federalized, the FOSC must select a BOA contractor based on the following criteria (in order of precedence):

- ❑ Response time
- ❑ Technical capability

The FOSC then issues the contractor a cost ceiling via an Authorization to Proceed (ATP). Response activities start once the ATP is issued, either verbally (for costs not to exceed \$25,000) or written. The FOSC must also send the SILC a message (To: COGARD SILC NORFOLK VA//PCG-1//) within 24 hours indicating that an ATP has been issued. For issuance of ATPs that exceed \$50,000, contact the SILC Contracting Office prior to issuance. However if time does not permit, the FOSC can issue the ATP but must contact the Contracting Office as soon as possible. The FOSC shall also regularly release Pollution Reports via message traffic to keep USCG District 7, the NPFC, and the SILC up-to-date on response operations and formerly document response progress.

During a spill, the FOSC will monitor the activities of all contractors hired by the FOSC as well as document CG indirect costs. For contractors hired under existing BOAs, the costs shall be documented on the [CG-5136 Pollution Incident Daily Resource Reports \(E1, E2, E3, and E4\)](#). The FOSC will also verify the daily hours and costs reported by the contractors and ensure they only order the personnel and equipment needed to adequately respond to the incident. The FOSC has the authority to demobilize contractor resources in order to ensure cost effectiveness. The FOSC should document their request to establish a timeline.

Hiring a contractor without a BOA

The FOSC must first determine that a BOA contractor is unavailable or unable to perform the required tasks. If the services of a non-BOA contractor are needed, the FOSC must request assistance from a Contracting Officer at the SILC. Upon SILC approval, the FOSC may issue the Authorization to Proceed and send the same messages that are released for responses using BOA contractors as outlined above. The ATP message should clearly state the name of the non-BOA contractor and the reason why the contractor was hired.

In an emergency, the FOSC can issue an ATP to a non-BOA contractor up to \$50,000, but must contact the SILC Contracting Officer within 24 hours of issuance.

6610.1 Pollution Incident Daily Resource Report (CG-5136)

The CG-5136 Form is used to both summarize and detail all personnel, equipment, and other resources used during the removal activities of an incident. The form consists of several parts. Details on using and completing all parts of the form are included in Chapters 1 and 6 of the [Technical Operating Procedures for Resource Documentation](#).

Part...	Is Used By...	When...	To..
A	FOSCs	At end of spill (or at intervals for large spills)	To summarize all resources used during the removal activities of a pollution incident
B-E	FOSCs & Other Government Agencies	Daily	To list <i>government</i> personnel, equipment, and other resources incurred each day of removal activity
E1-E4	Contractors	Daily	To list <i>contractor</i> personnel, equipment, and other resources incurred each day of removal activity
F & F1	FOSCs	As needed or daily	To record changes to the ceiling and obligations incurred during an entire spill.

CG-5136A: Government Summary Sheet

CG 5136A, summarizes all personnel, equipment, and other resources used during the removal activities of a pollution incident. The remaining sections of CG-5136 provide detailed information on the costs.

[CG-5136A](#) Pollution Incident Daily Resource Report - Government Summary Form

CG-5136B-E: Government Costs (Dailies)

FOSCs and other government organizations can use Parts B-E of the CG-5136 form to track *government* personnel, equipment, and other resources incurred each day of the removal activity.

[CG-5136B](#) Pollution Incident Daily Resource Report – Government Personnel

[CG-5136C](#) Pollution Incident Daily Resource Report – Government Equipment

[CG-5136D](#) Pollution Incident Daily Resource Report – Government Purchases/Expendables/Travel Orders/Contractor

[CG-5136E](#) Pollution Incident Daily Resource Report – Government Short Form

G-5136 B-E Workbooks

You must use the Microsoft Excel Workbook (e5136) as the primary means of documenting all costs associated with an FPN, CPN, or DPN.

These files are embedded with the Coast Guard [standard rates](#) (1 MB PDF) for the times indicated to quickly calculate the daily costs related to oil spill removal. The first worksheet in each file provides additional instructions.

- [NPFC Job Aid for Completing the Electronic Version of the CG-5136](#)
- [NPFC Job Aid: Accounting Data for Pollution Response Funds](#)

If costs occurred. . .	And spill lasted..	Use. . .	File Size
On or after April 28, 2017	7 days or less	Current Small Spill Form	161 KB
	More than 7 days	Current Large Spill Form	621 KB
On or after October 2015	7 days or less	Current Small Spill Form	163 KB
	More than 7 days	Current Large Spill Form	618 KB

CG-5136E-1 through CG-5136E-4: Contractor Costs (Dailies)

Oil spill response contractors may use the Parts E1 to E4 of the CG-5136 form to track and submit daily costs. These forms are located on the Coast Guard Form Management System.

- [CG-5136E-1](#) Pollution Incident Daily Resource Report – Contractor Personnel
- [CG-5136E-2](#) Pollution Incident Daily Resource Report – Contractor Equipment
- [CG-5136E-3](#) Pollution Incident Daily Resource Report – Contractor/Subcontractor Materials/Other Expenses
- [CG-5136E-4](#) Pollution Incident Daily Resource Report – Contractor/Short Form

CG-5136-F: Ceiling Management and Incident Obligation Log

FOSCs can use the CG-5136-F to track a project's ceiling and compute cumulative obligations against an FPN during an incident.

- [CG-5136F](#) Environmental Response Ceiling Management - Ceiling Management & Incident Obligation Log
- [CG-5136F-1](#) Pollution Incident Daily Resource Report - Ceiling Management obligation Log Short Form

6700 Reserved

6800 Reserved

6900 Reserved for Area/District