



# COMPENSATION GUIDELINES RESPECTING DAMAGES RELATING TO OFFSHORE PETROLEUM ACTIVITY

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### **FOREWORD**

The Canada-Newfoundland and Labrador Offshore Petroleum Board and the Canada-Nova Scotia Offshore Petroleum Board (the Boards) are responsible for regulation of petroleum exploration, production, and decommissioning and abandonment activities offshore Newfoundland and Labrador (NL) and Nova Scotia (NS) respectively (the Offshore Areas).

The authority for matters of liability and compensation is the same for both Boards and is described in the *Canada- Newfoundland and Labrador Atlantic Accord Implementation Acts*<sup>1</sup> and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Acts*<sup>2</sup> (the *Acts*). The Boards have issued this document to provide Claimants and Operators with information and guidance related to losses and damages resulting from offshore petroleum related work or activities to achieve compliance with the *Acts*.

This document has been prepared as a joint effort by both Boards and replaces the previous versions of these Guidelines published by the Boards.

Canada-Newfoundland and Labrador Atlantic Accord Implementation Act, and The Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act

Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act, and The Canada-Nova Scotia Petroleum Resources Accord Implementation (Nova Scotia) Act

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### 1.0 INTRODUCTION

# **Background**

In February 2016, a revised polluter pays regime came into force through legislative amendments and new subordinate legislation.

The following Acts (collectively referred to hereafter as the "Acts" have been amended:

- Canada-Newfoundland and Labrador Atlantic Accord Implementation Act (C-NLAAIA)
- Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act (C-NLAAINLA)
- Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act (CNSOPRAIA)
- Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act (CNSOPRAINSA)

The new subordinate legislation is as follows (collectively referred to hereafter as the "Regulations"):1

- Canada-Newfoundland and Labrador Offshore Petroleum Financial Requirements Regulations (Federal)
- Canada-Newfoundland and Labrador Offshore Petroleum Financial Requirements Regulations (Provincial)
- Canada-Nova Scotia Offshore Petroleum Financial Requirements Regulations (Federal)
- Canada-Nova Scotia Offshore Petroleum Financial Requirements Regulations (Provincial)

The Acts and Regulations can be found on the websites of each respective Board:

Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) - www.cnlopb.ca

Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) - www.cnsopb.ns.ca

The amendments to the *Acts* and new *Regulations*, in part, updated and strengthened the liability regime in relation to the drilling for or development or production of petroleum or other petroleum-related work or activities. The Boards have prepared the following *Compensation Guidelines Respecting Damages Relating to Offshore Petroleum Activity* (Guidelines) to provide guidance to parties adversely impacted by authorized petroleum-related work or activity.

<sup>1</sup> Specific References to *Accord Acts* and *Regulations* in these Guidelines will note the Federal version for ease of reference.

# 1.1 Purpose of the Guidelines

These Guidelines replace the *Compensation Guidelines Respecting Damages Relating to Offshore Petroleum Activity (March 2002).* 

The legislative amendments recognize the risk of damage to the environment, the property, and the economic interests of third parties working and living in and adjacent to areas affected by authorized petroleum-related work or activities in the respective jurisdictions of the Boards.

Losses or damage may occur either as a consequence of a Spill or authorized discharge, emission or escape of petroleum or as a result of Debris or any action or measure taken in relation to Debris.

These Compensation Guidelines have been prepared to:

- i) describe the mechanisms available to potential Claimants for Actual Loss or Damage and costs and expenses, including those mechanisms pursuant to subparagraph 162(1)(a)(i) of the C-NLAAIA and subparagraph 167(1)(a)(i) of CNSOPRAIA, related to Spills and associated with petroleum exploration, development, decommissioning and abandonment activity in the Offshore Areas; and
- ii) outline the regulatory and administrative roles which the Boards exercise respecting compensation payments for Actual Loss or Damage, costs and expenses directly attributable to offshore Operators.

These Guidelines may be amended from time to time by the Boards as necessary. The Guidelines do not re-state all of the particular requirements of the *Acts* and the *Regulations*.

Claims for damages other than those noted above are outside the scope of these Guidelines.

# 1.2 Definitions

In these Guidelines, the following definitions apply. In the event of discrepancy between these Guidelines and the definition in the *Acts* or *Regulations*, the *Acts* and *Regulations* will prevail. Where definitions are from an international standard or similar document an appropriate reference is provided.

Actual Loss or Damage

actual loss or damage includes income, including future income, and, with respect to any Aboriginal peoples of Canada, loss of hunting, fishing and gathering opportunities. It does not include loss of income recoverable under subsection 42(3) of the *Fisheries Act*.

Attributable Damage losses and damages, including costs and expenses, which can be

attributed to a particular work or activity which has been

authorized by the appropriate Board.

Authorization an authorization issued by a respective Board under the Acts.

Claimant any person (individual, corporation, partnership, etc.) seeking

compensation for loss or damages, costs and expenses as a result of a spill or debris. For the purposes of these Guidelines, Claimant

does not include Governments.

Debris as defined by the *Acts*, debris means any installation or structure

that was put in place in the course of any work or activity required to be authorized under paragraph 138(1)(b) of the *C-NLAAIA* or 142(1)(b) of *CNSOPRAIA* and that has been abandoned without an authorization that may be required by or under this Part, or any material that has broken away or been jettisoned or displaced in

the course of any of that work or activity.

Limitation period proceedings in respect of claims under the Acts, may be instituted

within three years after the day when the loss, damage costs or expenses occurred but in no case after six years after the day the spill or the discharge, emission or escape of petroleum occurred or, in the case of debris, after the day the installation or structure in question was abandoned or the material in question broke away

or was jettisoned or displaced.

Non-attributable Damage occurs where either the offshore petroleum work or activity is

implicated but the actual person responsible for the work or activity ("Operator") giving rise to the damage is not determined,

or the source is completely unknown (e.g. a "mystery spill").

Operator the holder (or applicant) of an operating licence and authorization

under the Acts in respect of the work or activity.

Spill as defined by the Acts, spill means a discharge, emission or escape

of petroleum, other than one that is authorized under subsection 161.5(1), of the CNLAAIA or 166.5(1) of CNSOPRAIA the regulations or any other federal law. It does not include a discharge from a vessel to which Part 8 or 9 of the *Canada Shipping Act*, 2001 applies or from a ship to which Part 6 of the *Marine Liability Act* 

applies.

# 1.3 Regulatory Context

Operators must receive permission from the Board, through an Authorization, prior to conducting petroleum-related activities. Prior to obtaining an Authorization, an Operator must demonstrate to the respective Board that it is capable of acting in a responsible manner for the life of the proposed work or activity and provide the necessary financial requirements.

The basic objectives of the financial requirements include:

- (a) substantiating that the Operator has the ability to pay for all actual losses or damages incurred by any person as a result of any Spill or Debris, which includes loss of income, future loss of income and, with respect to any Aboriginal peoples of Canada, loss of hunting, fishing and gathering opportunities<sup>2</sup>; and
- (b) requiring the payment of any costs and expenses reasonably incurred by any person, including a respective Board, respecting Spills or Debris.

The legislative regime can oblige the Operator to pay out all claims associated with Spills or Debris, as appropriate. In the event an Operator fails in these duties, the *Acts* provide that the respective Board may manage and control that work or activity and take all reasonable measures in relation to the Spill and pay out claims for damages as prescribed<sup>3</sup>.

The legislative regime sets out three (3) components of financial requirements:

- absolute liability,
- financial responsibility, and
- financial resources.

These components of financial requirements reflect the polluter pays principle, which is consistent with the notion that liability is unlimited for an Operator who is at fault for a Spill or Debris.

# (a) Absolute Liability

The Acts establish that Operators undertaking work or activities in relation to the drilling for, or development or production of petroleum, as well as other authorized activities in the Offshore Areas are liable for the loss or damage that they may cause in accordance with the Acts. The Acts state that Operators are liable, regardless of negligence or fault, for losses or damages up to certain limits. This is known as absolute liability.

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<sup>&</sup>lt;sup>2</sup> It does not include loss of income recoverable under subsection 42(3) of the Fisheries Act

<sup>&</sup>lt;sup>3</sup> C-NLAAIA section 161, CNSOPRAIA section 166

# (b) Financial Responsibility (i.e. direct access to funds)

The *Acts* also require that Operators provide proof of financial responsibility (e.g., letter of credit, indemnity bond) to a respective Board when applying to conduct work or activity. The *Acts* require that each Operator shall ensure that proof of financial responsibility remains in force for the duration of the work or activity for which the Authorization was issued, or in certain circumstances for a longer period as the respective Board may direct.<sup>4</sup>

# (c) Financial Resources (i.e. capacity of Operator to pay)

The Acts require that an Operator provide proof that it has the financial resources necessary to pay the absolute liability limit applicable to the work or activity. The Acts also require that each Operator shall ensure that proof of financial resources remains in force for the duration of the work or activity for which the Authorization was issued, or in certain circumstances for a longer period as the respective Board may direct.<sup>5</sup>

The *Regulations* set out the acceptable forms of financial resources.

More information on evidence of financial requirements are detailed in the *Guidelines Respecting Financial Requirements* (February 2016) on the Boards' websites.

### 2.0 DETERMINING RECOVERABLE COMPENSATION

One of the first steps in the compensation and recovery process is to establish the value of the Actual Loss or Damage that has occurred and any costs and/or expenses incurred as a result of any action taken in response to a Spill or Debris. The Claimant has a responsibility to provide evidence to the satisfaction of the respective Board of the claimed expenditure or loss. Further information and evidence may be requested during the claim assessment process. The assessment may therefore take an iterative form between the Claimant and those responsible for settling the claim (i.e., the Operator, or failing resolution with an Operator, the Board), until a settlement has been agreed upon by all parties.

For all claims, a minimum set of supporting information is required, including:

- the name, address and contact details of the Claimant;
- details of the Spill or Debris against which the claim is being made, including time, date and geographic location (latitude and longitude, if known), and the Operator, if known; and
- the type of claim being submitted, the amount claimed, an explanation of how the costs or losses were incurred, and the dates of the period of the claim.

<sup>&</sup>lt;sup>4</sup>C-NLAAIA subsection 163.(1.2) and CNSOPRAIA subsection 168 (1.2)

<sup>&</sup>lt;sup>5</sup> C-NLAAIA subsection 162.1(5) and CNSOPRAIA subsection 167.1(5)

A Claimant must demonstrate that they have incurred Actual Loss or Damage as a result of a Spill or Debris as well as the monetary value of the loss or damage. The value can be established by identifying the cost (e.g., receipts, estimates/quotes) to repair or replace lost / damaged property or gear, the cost to clean gear and vessels, loss of income including future income (e.g., based on quota allocations, past effort or income), and lost wages for vessel crew members.

The Claimant must establish that the Actual Loss or Damage they have is attributable to an Operator. Claimants may contact the respective Board or the Canadian Association of Petroleum Producers (CAPP) for assistance with identifying the responsible Operator or activity.

### 3.0 ATTRIBUTABLE DAMAGES

Losses or damages associated with offshore petroleum related works and activities may occur as a result of a Spill or authorized discharge, emission or escape of petroleum or of Debris or any measure or action taken in relation to Debris left behind by Operators (e.g., unauthorized abandoned structures, any material that has broken away or been jettisoned or displaced). Many losses or damages associated with authorized petroleum-related activity can be readily attributed to a specific Operator via incident reporting, sampling and satellite imagery.

In some instances, Attributable Damage, caused or incurred by debris may be more difficult to attribute to a specific Operator or an offshore petroleum activity if the Debris is not recovered.

The location of a seafloor obstruction in relation to past or current drilling sites could also identify an Operator or former Operator. Information on the location of past and current oil and gas activities may be obtained from the offices or websites of the respective Boards.

### 4.0 RECOVERING ATTRIBUTABLE DAMAGES

There are three options available to a Claimant for the recovery of Actual Loss or Damage when the work or activity giving rise to such loss or damage can be attributed to an Operator:

- i) voluntary settlement by the Operator for direct compensation (refer to Section 4.1);
- ii) application to the respective Board for recovery of damages from the monetary resources made available to the Boards by the Operators as per the *Regulations* (refer to Section 4.2); and
- iii) a civil suit for recovery through the appropriate court of law (refer to Section 4.3).

Figure 1 provides a general overview of the compensation claims process.

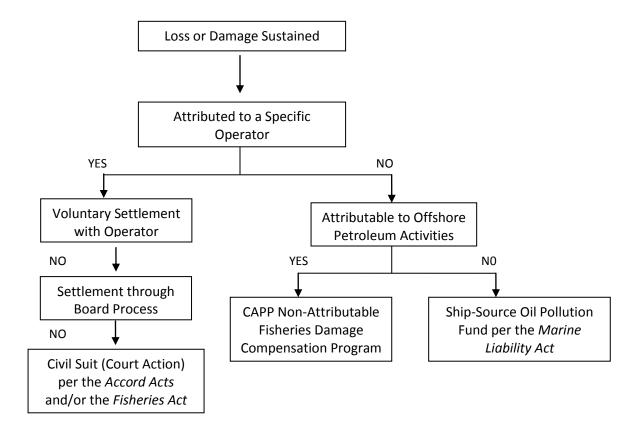


Figure 1 – Compensation Claims Process

Receipt of compensation from one source may limit or preclude access from other sources. A settlement negotiated directly with the Operator responsible for the work or activity giving rise to the damages should be sought before proceeding with other options.

Typically, settlement would first be sought from the responsible Operator at the earliest opportunity. Only in those instances where the Claimant and the responsible Operator have not been able to reach an agreement, a Claimant would seek compensation in accordance with Section 4.2.

In all instances, efforts should be made to compensate the Claimant as soon as possible.

# 4.1 Compensation Directly from the Operator

There is no legislated requirement for Operators to establish a procedure for compensation. However, it is the expectation of the Boards that the Operator be the first point of contact respecting claims for compensation. Addresses of the Operators' offices and contact information may be obtained by contacting the offices of the Boards (see Section 6.0). In the

event of a Spill or interaction with Debris causing damage, the Operator may be required to clean up the Spill and Debris as well as pay out all claims as appropriate.

# 4.2 Compensation through the Boards

Claims referred to a Board must be submitted using the Compensation Claim Form (refer to Appendices 1 and 2) accompanied by a copy of all relevant documents, including any invoices, appraisals or other relevant documentation respecting the claim. It is advisable therefore for the Claimant to keep copies of all information submitted to an Operator.

The respective Board will review the claim(s) and, depending upon the merits of each case, may award compensation directly from the evidence of financial requirements provided to the respective Board.

The *Acts* provide that a Board may pay claims from funds available under a letter of credit, indemnity bond or other form of financial responsibility provided by an Operator in respect of any claim for which legal proceedings may be instituted for Actual Loss or Damage as a result of or actions or measures taken in relation to a Spill or Debris.

**Caveat:** A Board may only pay claims in this manner while it holds financial responsibility documentation while an Operator's Authorization that is in force (which in most cases is for the duration of the authorized work or activity) or in certain circumstances for a longer period as the respective Board may direct.<sup>6</sup> For drilling, development and production activities, for example, this would be for the duration of an Authorization plus an additional eighteen (18) months.

The respective Board will assess claims in the following manner:

- Each claim will be evaluated on a case-by-case basis. If needed, advice will be sought from third party experts.
- In evaluating each claim, a Board will first determine its eligibility. If the claim is considered eligible, a Board will determine the value of the compensation. In establishing an appropriate amount, a Board may direct that an independent audit be conducted of costs and expenses claimed.
- It is the intention of the respective Board to assess and settle each claim as promptly as possible.
- The Board's decision along with reasons for the final determination will be forwarded in writing to both the Claimant and responsible offshore Operator.

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<sup>&</sup>lt;sup>6</sup> C-NLAAIA subsection 162.1(5) and CNSOPRAIA subsection 167.1(5)

For greater certainty, claims in excess of the amount of evidence of financial responsibility indicated for a particular work or activity must be settled with the Operator directly or through the courts.

Further, claims brought forward to the Board after the term of the financial requirements must also be settled through the courts.

# 4.3 Compensation through Court Action

The *Acts* enable a Claimant to pursue compensation against an Operator directly through court action for all Actual Loss or Damage incurred as a result of a Spill or Debris or as a result of any action or measure taken in relation to a Spill or Debris. It is relevant to note that the *Acts* impose a Limitation Period on claims.

Proceedings in respect of a claim may be initiated within **three** years after the loss, damage, cost or expense has occurred but in no case later than six years after the Spill has occurred or, in the case of Debris, six years after the day the installation or structure in question was abandoned or the material in question broke away or was jettisoned or displaced. Court action may be taken should a Claimant remain unsatisfied after failing to obtain compensation either from the Operator or through the respective Board, as long as the Limitation Period is respected.

### 4.4 Monetary Awards

Where compensation is granted to cover the cost of Actual Loss or Damage to property, compensated costs will be based upon replacement at equivalent quality.

In addition, any claim may be rejected or compensation reduced to the extent the Claimant has recovered all or a portion of the Actual Loss or Damage from other sources, or to the extent the Claimant, by their action or inaction, contributed to the Actual Loss or Damage.

A Board may also prorate the amount of compensation payable if it determines that the total of all claims may exceed the amount of funds available under the financial responsibility documentation of an Operator on file with the Board.

Finally, the Claimant should note that the filing of a claim with the respective Board does not prejudice any right by the Claimant to commence court proceedings against an Operator. However, compensation received from a Board may reduce the amount of damages available through court action.

### 5.0 OTHER COMPENSATION SOURCES

In addition to compensation available from the Board pursuant to the *Acts*, there are other sources for Complainants to obtain compensation for losses or damages, including legislated liability under the *Fisheries Act* and the *Marine Liability Act*. Also, the Canadian Association of Petroleum Producers (CAPP) has an established program to compensate for non-attributable loss and damages.

### 5.1 Fisheries Act

Section 42(1) of the *Fisheries Act* also includes a liability regime to allow for recovery of costs and expenses incurred by Her Majesty in right of Canada or a province as a result of taking action to prevent or counteract, mitigate or remedy any adverse effects resulting from an unauthorized deposit of a deleterious substance in water frequented by fish. Section 42(3) of the *Fisheries Act* enables the recovery of lost income incurred by any licensed commercial fisherman (fish harvester, fisherperson) as a result of the deposit of a deleterious substance (like a Spill) in water frequented by fish or of a prohibition to fish (i.e., fishery closure). Such losses are recoverable with costs in legal proceedings brought in any court of competent jurisdiction. Losses of income incurred by licenced fisherman that are recoverable under subsection 42(3) of the *Fisheries Act* are not recoverable under the *Acts*.<sup>7</sup>

It is noted that there is a two-year limit within which claims/proceedings must be initiated in federal court. Also, liability under the *Fisheries Act* does not apply when the pollutant is released from a vessel regulated under the *Canada Shipping Act*.

### 5.2 Canada's Ship-source Oil Pollution Fund

Damage from ship-source Spills (e.g., shuttle tanker), or from Spills that cannot be attributed to an offshore petroleum work or activity, should be reported to Transport Canada, Marine Safety Branch, which is responsible for the administration of any claims for damages respecting such Spills.

The Ship-source Oil Pollution Fund (SOPF) was established by the amended *Canada Shipping Act* in 1989 and has been governed by the *Marine Liability Act* since 2001. This fund was originally intended, in part, to serve as a last resort for fishers seeking compensation for ship source oil Spills or mystery Spills.

Canada's national SOPF is available to pay compensation for Spills of persistent and non-persistent oils from ships of all classes in inland and coastal waters including the exclusive economic zone of Canada. Liability is limited to \$1 million or imprisonment for a term of not more than 18 months, or both. It is noted that the *Canada Shipping Act* includes vessels that are transporting oil to markets or refineries (i.e., tankers); however, it excludes vessels that are

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<sup>&</sup>lt;sup>7</sup> C-NLAAIA subsection 160(2) and CNSOPRAIA subsection 165(2).

specifically engaged in the exploration or drilling for or the production, conservation, or processing of petroleum-related work or activities.

Details on claim filing procedures and conditions may be obtained from:

Ship-source Oil Pollution Fund 180 Kent Street Suite 830 Ottawa, ON K1A 0N5 Telephone: (613) 991-1726

Fax: (613) 990-5423 E-mail: info@sopf-cidphn.gc.ca

# 5.3 CAPP's Compensation Program

CAPP has instituted the Canadian East Coast Offshore Operators Non-Attributable Fisheries Damage Compensation Program to provide fair and timely compensation to Canadian commercial fish harvesters and aquaculturalists who sustain Actual Loss or Damage to fishing gear or vessels related to petroleum exploration and development activities within Canada's east coast offshore areas, where the responsible petroleum Operator is not known (i.e., non-attributable). This program does not apply to non-exclusive seismic activities approved by a respective Board.

The aim of the program is to compensate eligible fishing industry participants fully and fairly for all such actual loss, leaving participants in no worse or better a position than before the damage occurred.

This program is an alternative to making a claim through the courts or other regulatory authorities. Although claims for loss or damage can be made under the laws of Canada, this Program offers a simpler, less-expensive process for obtaining appropriate compensation.

Details on how to file a claim and the compensation procedures may be obtained from the following CAPP offices in Halifax or St. John's:

Canadian Association of Petroleum Producers		Canadian Association of Petroleum Producers		
	235 Water Street Suite 1004		116-1701 Hollis Street Suite	
	St. John's, NL A1C 1B6		Halifax, NS B3J 3M8	
	Telephone	(709) 724-4200	Telephone:	(902) 420-9084
	Fax:	(709) 724-4225	Fax:	(902) 491-2980

# 6.0 FURTHER INFORMATION

For further information or clarification of the information presented, contact may be made with the appropriate Board. Contact information for the Boards is given below:

Canada-Newfoundland and Labrador

Offshore Petroleum Board

Suite 101, TD Place

140 Water Street

St. John's NF A1C 6H6

Telephone: (709) 778-1400

Fax: (709) 778-1473

E-mail: information@cnlopb.ca

Web Site: www.cnlopb.ca

Canada-Nova Scotia Offshore

Petroleum Board

8<sup>th</sup> Floor, TD Centre

1791 Barrington Street

Halifax NS B3J 3K9

Telephone: (902) 422-5588

Fax: (902) 422-1799

E-mail: fradmin@cnsopb.ns.ca

Web Site: www.cnsopb.ns.ca





# **Appendix 1 - COMPENSATION CLAIM FORM**

	Date:
l <b>.</b>	Name of Claimant (individual, company, partnership, etc.):
	Occupation:
<b>5.</b>	Address & Telephone Numbers:
	Home: Business:
•	Has this claim for compensation been made to an Operator? Yes: No:
•	Relationship to property lost or damaged:
•	Location (latitude and longitude, if known), date and approximate time of incident:
•	Details of incident and damage sustained: (attach details if required):
•	Damage or loss attributed to:
٠.	Supporting information: (attach details if required):

10.	Description of property lost or damaged: (attach det	ails if required):	
11.	Nature of income loss (if applicable):		
12.	Other Sources of Compensation: Yes:	No:	
	If yes:		
	Name of Source:		
	Amount Received:		
13.	Amount of Claim:		
14.	Date claim made to responsible offshore Operator:		
15.	Declaration:		
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	conscientiously believe that the information given ab		
		Date:	
		Signed:	
		Signature witnessed:	

# Appendix 2 - INSTRUCTIONS FOR COMPLETING THE COMPENSATION CLAIM FORM

The claim form is provided as a structure for registering a claim. Care must be taken to record and date all relevant information under the 15 headings. These may include:

- 1. **Name of Claimant:** It should be stated whether the claim is for an individual, company, or partnership, etc. or whether the claim is being filed on behalf of others.
- 2. **Occupation:** Although a person's occupation may not have any relationship to the nature of the claim (e.g. automobile mechanic whose waterfront property was polluted), it should always be provided. In other instances the Claimant may be a fisherman, a vessel owner, or hunter in which case the person's licence number (e.g., fishing licence) should also be included.
- 3. **Address:** Sufficient information to contact the Claimant at home or at work should be given.
- 4. Has this claim for compensation been made to an Operator? Tick Box.
- 5. **Relationship:** It should be stated whether the Claimant owns, leases or operates the property lost or damaged.
- 6. **Location, etc.**: This is important for correlation with offshore petroleum activity. If the claim is for damage to a vessel or fishing gear the location should be given by latitude and longitude (if known), or in relation to known geographical features.
- 7. **Details, etc.**: The following information should be included for pollution damage:
  - location of fouled shoreline where applicable;
  - description of gear or facilities damaged;
  - impact upon use of property;
  - required remedy;
  - reason for Claimant having personal property in area where Spill occurred.

The following information should be included for Debris-related damage information:

- name of vessel, registration and home port;
- manner of use or deployment at time of incident;
- nature of damage or loss sustained;
- effect upon subsequent fishing effort;
- water depth, sea state, weather, visibility.
- 8. **Damage or loss attributed to:** Party believed to be responsible plus reason for allocating responsibility should be given.

- 9. **Supporting information:** Provide the following evidence as applicable:
  - recovered Debris;
  - oil sample(s); (If possible a sample of the oil should be collected and given to the local Fishery
    Officer or a member of the respective Board staff. The sample should be collected in a clean
    glass or metal container that has not previously contained any traces of petroleum substances.
    If the container lid contains any plastic or rubber, the container mouth should be covered with
    a metal foil before attaching the lid).
  - names and addresses of any witnesses;
  - copy of relevant passages from ship's log;
  - photographs of damage.

# 10. **Description of the property**:

- condition of property at time of damage or loss;
- if vessel or equipment damaged, date of purchase or manufacture;
- if property lost, cost of replacement at equivalent quality.
- 11. **Nature of income loss:** Claims made for income loss attributable to lost catch will require extensive documentation:
  - estimated time fishing effort curtailed, reduced or displaced,
  - actual volume of catch during this period,
  - recorded average catch (and landed value) of the vessel fishing the same gear and species at an
    equivalent time of year during the previous three years,
  - estimated income loss due to loss of catch.

Other income loss claims due to a reduction in anticipated income will require similar documentation on past vs. actual earnings.

- 12. **Other Sources of Compensation:** In the event that compensation from other sources is received for the loss or damage in question, the value of any award determined by the Boards would be reduced by the amount of such other compensation awarded. The Claimant is required to provide the name of the source and the amount received or to be received.
- 13. **Amount of Claim:** Costs and/or expenses must be separated for individual items and supported by signed invoices or estimates:
  - for damaged property, estimated costs of restoration or repair must be broken down into cost for parts and labour
  - for lost property, estimated cost of replacement at equivalent quality.

- 14. **Date of claim made to responsible party:** A copy of the claim forwarded to the offshore Operator showing the date of transmittal must accompany this claim form. In addition, copies of all subsequent correspondence with the company should be attached.
- 15. **Declaration:** A claims form will not be accepted unless the declaration is made and signed by or for the Claimant witnessed by a third party.

Additional information may be requested in order to process the claim. Failure to provide complete information may result in the rejection of a claim, or affect the amount awarded.

Declaration forms may be obtained at the following addresses:

Canada-Newfoundland and Labrador Offshore Petroleum Board Suite 101, TD Place 140 Water Street St. John's, NL A1C 6H6

Telephone: (709) 778-1400 Fax: (709) 778-1473 E-mail: information@cnlopb.ca

Canada-Nova Scotia Offshore Petroleum Board 8th Floor, TD Centre 1791 Barrington Street Halifax NS B3J 3K9

Telephone: (902) 422-5588 Fax: (902) 422-1799 E-mail: <u>fradmin@cnsopb.ns.ca</u>