

## Oil Spill Liability Trust Fund

The following text is adapted from information found on the United States Coast Guard's National Pollution Funds Center (NPFC) website at [www.uscg.mil/npfc/](http://www.uscg.mil/npfc/). For more information regarding the Oil Spill Liability Trust Fund (OSLTF), including forms and claims instructions, please go to [www.uscg.mil/npfc/](http://www.uscg.mil/npfc/) or contact the NPFC at 703-872-6000.

### Funding of Oil Spills Under the Oil Spill Liability Trust Fund

The Oil Spill Liability Trust Fund (OSLTF) is a billion-dollar fund established to help pay removal costs and damages resulting from oil spills or substantial threats of oil spills to navigable waters of the United States. *The OSLTF is used only for costs not directly paid by the polluter*, also referred to as the responsible party (RP). Additionally, the fund can be used to pay costs to respond to "mystery spills," for which the source has not been identified.

The OSLTF has two major components:

- The *Emergency Fund* is available for Federal On-Scene Coordinators (FOSCs) to respond to oil discharges and for Federal natural resource trustees to initiate natural resource damage assessments. The Emergency Fund is capitalized by an annual \$50 million apportionment from the OSLTF.
- The remaining *Principal Fund* balance is used to pay claims and to fund appropriations by Congress to Federal agencies to administer the provisions of OPA and support research and development.

The United States Coast Guard's National Pollution Funds Center (NPFC), in Arlington, Virginia, manages use of the OSLTF.

### Who Can Access the Fund?

*Federal On-Scene Coordinators (FOSCs)* can obtain immediate access to a funding account and ceiling for incident response through a web application managed by the NPFC.

*Other Federal, State, Local, and Indian tribal government agencies* assisting the FOSC can get reimbursable funding authority via an FOSC-approved Pollution Removal Funding Authorization (PRFA). NPFC works with the FOSCs and the agencies to put PRFAs in place.

*Natural resource trustees* (as designated by the President of the United States, state, territorial governor, or Indian tribal governing authority) have several tools for accessing the OSLTF to pay for natural resource assessments and restoration.

*Other claimants* (individuals, corporations, and government entities) can submit claims for uncompensated removal costs and OPA damages (listed below) caused by the oil spill to the NPFC if the RP does not satisfy their claims. NPFC adjudicates the claims and pays those with merit.

### What Can the Fund be Used for?

*Federal Removal Costs*, which include payment to cleanup contractors (Oil Spill Response Organizations [OSROs]), overtime for government personnel, equipment used in removal operations (generally at established standard rates or lease costs), testing to identify the type and source of oil, disposal of recovered oil and oily debris, and preparation of associated cost documentation.

*Other Claims* for costs and damages as specified in OPA:

- Uncompensated removal costs,
- Natural resource damages (NRD),
- Real/personal property,
- Loss of profits,
- Loss of subsistence use of natural resources,
- Loss of government revenues,
- Increased costs of government services, and
- Claims from RPs asserting a defense to liability.

### **Limitations to Accessing the OSLTF**

The following conditions must be met in order for OSLTF funds to be used:

- The discharge (or substantial threat of discharge) must be into or on the navigable waters of the United States or adjoining shorelines or the Exclusive Economic Zone (EEZ).
- The discharge (or substantial threat of discharge) must be *oil*, which can include petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil; however, it cannot include any substance which is specifically listed or designated as a hazardous substance under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- In general, the maximum amount available from the OSLTF per incident is \$1 billion or the balance in the OSLTF, whichever is less, and:
  - Funding for Federal removal (including response to a substantial threat) and natural resource damage pre-assessment activities is limited to the funds available in the OSLTF Emergency Fund, which receives an apportionment of \$50 million on October 1st of each fiscal year (another \$100 million can also be advanced from the OSLTF Principal Fund if necessary).
  - Natural resource damage claims are limited to a maximum of \$500 million per incident.