



OFFER LETTER

Ottawa, 11 October 2022
SOPF File: 120-904-C1
CCG File:

VIA EMAIL

Acting Senior Director of Incident Management
Canadian Coast Guard
200 Kent Street
Ottawa, Ontario K1A 0E6

RE: MV *SEA-Q TI*– Humber Bay Park, Toronto, ON – DOI: 8 February 2021

SUMMARY AND OFFER

- (1) This letter responds to a submission from the Canadian Coast Guard (the “CCG”) with respect to the pleasure craft *SEA-Q TI* (the “Vessel”). The Vessel had been abandoned and foundered in Lake Ontario, at Humber Bay Park, Toronto, on 8 February 2021 (the “Incident”).
- (2) On 8 November 2021, the office of the Administrator of the Ship-source Oil Pollution Fund (the “Fund”) received a submission from the CCG on behalf of the Administrator. The submission advanced claims under sections 101 and 103 of the *Marine Liability Act*, SC 2001, c 6 (the “MLA”) totaling \$35,614.93 for costs and expenses arising from measures taken by the CCG to respond to the Incident.
- (3) The submission has been reviewed and a determination with respect to its claims has been made. This letter advances an offer of compensation to the CCG pursuant to sections 105 and 106 of the MLA.
- (4) The amount of \$19,994.18 (the “Offer”), plus statutory interest to be calculated at the time the Offer is paid, in accordance with section 116 of the MLA, is offered with respect to this claim.
- (5) The reasons for the Offer are set forth below, along with a description of the submission.

THE SUBMISSION RECEIVED

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

Narrative

- (7) According to the narrative, on 8 February 2021, the CCG received a report that the Vessel was sinking in icy waters at Humber Bay Park in Etobicoke, Toronto. The Vessel had apparently been abandoned for several months and was awaiting disposal funded by the Transport Canada Navigation Protection Plan.
- (8) The Toronto Police Marine Unit (the “TPMU”) informed the CCG that its personnel had attended at the scene that day, where they observed an oily sheen in the water and ice surrounding the Vessel and detected a strong fuel smell in the air.
- (9) On 9 February, the TPMU informed the CCG that the Vessel was continuing to sink and the oily sheen was still visible. A Harbour Operations manager from the Toronto Port Authority informed the CCG that he was aware of the Incident but was hesitant to respond due to jurisdictional uncertainty arising from the Vessel’s coverage under the Navigation Protection Plan.
- (10) Transport Canada advised the CCG to take charge of the response operation and, later that day, forwarded the CCG ownership information regarding the Vessel.
- (11) When contacted by the CCG, the ostensible owners claimed to have sold the Vessel and produced the bill of sale as proof. The buyer of the Vessel also claimed to have sold it. The CCG was unable to contact the subsequent buyer, who is identified in the claim as the owner of the Vessel, that day.
- (12) Considering the ongoing fuel smell and oily sheen emanating from the Vessel, the difficulty in finding and contacting the Vessel’s owner, and the busy nature of the Humber Bay Park area, the CCG determined to take action to remove the Vessel from the water.
- (13) On 10 February, two CCG officers attended at the scene. They observed that the Vessel was partially stuck in ice and were unable to board it or assess its fuel tanks. As a result, the amount of oil that the Vessel contained was unknown.
- (14) Under the CCG’s direction, municipal authorities placed sorbent pads around the Vessel. The CCG again attempted to contact the owner without success.

(15) By 12 February, the CCG had solicited quotes for a salvage operation from contractors. It ultimately retained Galcon Marine Ltd. (“Galcon Marine”), and work was scheduled to begin the following day.

(16) On 13 February 2021, Galcon Marine personnel installed four pumps in the Vessel to dewater it. Two divers cut the Vessel out of the surrounding ice. The Vessel was then removed from the water with a crane.

Cost summary

(17) The CCG submission summarizes its claimed costs as follows:

ER INCIDENT - COST SUMMARY			
INCIDENT:	Humber Bay - Submerged Vessel	PROJECT CODE:	96745
INCIDENT DATE:	February 8, 2021	DATE PREPARED:	2021/11/4
INCIDENT LOCATION:	Humber Bay Park, Lake Ontario	PROVINCE:	Ontario
DEPARTMENT:	Canadian Coast Guard	PREPARED BY:	[REDACTED]
Schedule #	Description	Total	
1	MATERIALS AND SUPPLIES	\$	-
2	CONTRACT SERVICES	\$	21,910.70
3	TRAVEL	\$	-
4	SALARIES - FULL TIME PERSONNEL	\$	7,112.53
5	OVERTIME - FULL TIME PERSONNEL	\$	6,180.93
5a	OVERTIME - OTHER	\$	-
6	OTHER ALLOWANCES	\$	-
7	SALARIES - CASUAL PERSONNEL	\$	-
8	SHIPS' COSTS (EXCL. FUEL & O/T)	\$	-
9	SHIPS PROPULSION FUEL	\$	-
10	AIRCRAFT	\$	-
11	POLLUTION COUNTER-MEASURES EQUIPMENT (PCME)	\$	-
12	VEHICLES	\$	-
13	ADMINISTRATION	\$	410.77
TOTAL CCG COST OF INCIDENT		\$	35,614.93

Figure 1: Screen capture of the CCG cost summary (personal information redacted)

CCG internal documentation

(18) The CCG submission contains spreadsheets listing the claimed salary and overtime costs for each day of the response operation, as well as a spreadsheet summarizing the claimed costs and expenses for each Schedule. It also includes an operational safety plan.

Contractor documentation

(19) As part of the process of contracting for the removal of the Vessel, the CCG solicited quotes from contractors.

(20) Galcon Marine and Scruton Marine Inc. (“Scruton Marine”) submitted quotes; excerpts from both quotes are reproduced below.

<p>Pollution</p> <p>Removal Procedure</p> <p>Safety considerations</p>	<p>There is a very slight sheen of petroleum on the water</p> <p>An oil boom will be established around the vessel. The vessel will then be examined Commercial divers to seal the fuel filler and establish the integrity of the hull. Depending what the weather is like over the next week the ice around the vessel may have to be cut to free the vessel. An 80 ton crane will be set up in the park just east of the location. A wide sling will be placed under the hull at the stern. The bow of the vessel will be lifted slightly and another sling will be placed under the bow. Slight tension will be placed on the slings and they will be lashed to the side of the vessel to prevent slippage. Once the slings are in place the vessel will start to be hoisted up out of the water. As the vessel is hoisted the vessel will be pumped out using 2 "electric submersibles. When the vessel is completely free of water it will be hoisted up over the trees and placed on a transport to be taken back to our yard and placed in a bin for disposal.</p>
<p>Working on ice</p> <p>Pollution control equipment</p> <p>Oil boom</p> <p>Absorbent pads</p> <p>Plastic bags for removal of contaminated pads</p>	<p>All personnel to wear certified survival suits around the water</p> <p>All Diving operations to be conducted in accordance with Ontario Reg 629/94</p>
<p>Compensation</p> <p>Total Lump Sum Price</p> <p>Timeline</p> <p>Should you require any further or additional information please feel free to contact myself at</p> <p>Yours Truly</p> <p>Galcon Marine Ltd.</p>	<p>Galcon Marine Ltd to supply all necessary equipment to remove and dispose of 24' Trojan powerboat from Humber bay.</p> <p>\$16,000.00 plus GST</p> <p>We can do the work any time next week starting Feb 16 2021</p> <p>The expected duration of the job is one day</p> <p>Should you want to proceed with the work before that on the weekend there will be an additional charge of \$3,390.00 to cover the workers overtime.</p> <p>[Redacted]</p>

Figures 2 and 3: Screen captures of the Galcon Marine quote (11 February 2021) [personal information redacted]

SCRUTON MARINE INC.

49 JOHN STREET, PORT DOVER, ON 519-583-1636 SMS@SCRUTONMARINE.COM

QUOTATION TO REMOVE AND DISPOSE OF HUMBER BAY SUBMERGED VESSEL

Salvage Plan A

- Make use of portable pumps to dewater the vessel: we will supply (1) 2" and (1) 3" trash pumps, along with a stand-by backup on site.
- The pumps will discharge into a containment area created by 8" absorbent boom if oil is observed. Gasoline or residual will not be contained. Fire extinguishers will be available should they be required.
- All contaminated absorbent products will be collected and kept on site in sealed, disposal containers until the salvage is completed, then disposed of in a responsible manner. Due to the size and specs on this vessel, it is suitable to utilize absorbent pads to absorb the oil. We do not expect much of a quantity of oil.
- A recovery vehicle will tow the vessel through the ice to the boat ramp.
- Once at the boat ramp, a recovery trailer will winch the vessel onto its flatbed.
- Salvaged vessel will be removed from site, for either storage or disposal.
- All contaminated waste will be disposed of in a responsible manner.
- Site will be debris free upon completion.

Salvage Plan B

This plan would be required if dewatering of vessel is unsuccessful.

- A large recovery vehicle would secure recovery straps around the vessel, winching it on the bottom along its current resting position.
- The recovery vehicle would need to set up in 2 different positions to facilitate this. The first position would move the vessel forward approximately 75' along the wharf in which it is presently resting. (Recovery Vehicle Position 1, in picture attached).
- The second position for the recovery vehicle would be at the base of the launch ramp to pivot the vessel and winch it up the ramp. (Recovery Vehicle Position 2, in picture attached).
- At that time, a large recovery trailer would winch the vessel onto itself for removal from the site.

- A small flat-bottom boat may be required to provide a safe platform for personnel to cut and remove ice from the path in which the vessel is to be pulled.
- As the vessel is exiting the water onto the recovery trailer, dewatering will take place with the same precautionary measures as Plan A.

Pricing

Salvage Plan A - \$14,200

Salvage Plan B - \$16,300

*An additional \$1,500 will be charged for Saturday, February 13th (overtime adj.)

Timeframe

February 12th, 2021 or February 13th, 2021

Extreme cold conditions could create a longer timeframe

Health and Safety

All personnel:

- Have a copy of Maritime Occupational Health and Safety Regulations
- Have MED training
- Follow current Covid-19 regulations

- During this operation, our Health and Safety Representative [REDACTED] will be present to ensure safety protocols are being met.
- As the salvage is progressing, all staff will be conscious to the possibility of pollution.
- We will provide oil absorbent boom as well as oil absorbent pads to facilitate the pollutant containment and recovery. These materials will be disposed of in a responsible manner.
- Throughout operations, RED 'Do Not Enter' tape will be installed at the walking trail and vehicular entrance, with personnel positioned at each point when necessary to keep the general public away from the operation.

Figures 4, 5, and 6: Screen captures of the Scruton Marine quote (personal information redacted)

(21) The CCG included a copy of its contract with Galcon Marine, which contains a Statement of Work. A portion of the Statement of Work is reproduced below.

Actions

Vessel is ice-locked, and tied to a wall. Options for the removal, and disposal are now being considered.

Needs

Provide all equipment and labour to successfully, and safely remove vessel while mitigating any pollutants into the water, and containing, and cleaning up any pollutants.

- Provide all labour and equipment as deemed necessary.
- Necessary equipment to remove the vessel from the water, and dispose of safely.
- Provide all pollution recovery and control equipment.
- Disposal of all contaminated waste.
- Storage and disposal of vessel.
- Safety equipment.
- Contractor is responsible for health and safety of all personnel on-scene, and must follow all applicable Ministry of Labour, and Provincial COVID-19 guidelines.

Objectives of Work

- Safely and effectively remove vessel from marine environment.
- Recover (lube oils) and all pollutants as Canadian Coast Guard deems practical for safe disposal.
- Clean up any debris or pollutants.
- Removal of vessel and cleaning of area of debris on and under the water to Canadian Coast Guard satisfaction.
- Mitigate any environmental risk posed by hydrocarbons, or other pollutants into the marine environment.

Figure 7: Screen captures of CCG Statement of Work from Galcon Marine contract

(22) The submission also contains the CCG’s invoice from Galcon Marine. An extract of this invoice is reproduced below.

Business No.: 101920049RP0001				
Quantity	Description	Tax	Unit Price	Amount
1	Job #2001 Re: Environmental Response - Humber Bay Submerged Vessel Contract #FP802-200336 Requisition #F2586-200025 Project Authority: [REDACTED] Email: [REDACTED] [REDACTED] AP coder: [REDACTED] Feb 13/21 - Environmental Response - Humber Bay - submerged vessel "Trojan" 24 H - HST 13% HST	H	19,390.00	19,390.00
				2,520.70
Galcon Marine Ltd HST: #10192 0049				
Comment: TERMS: NET 30 DAYS INTEREST 2% PER MONTH			Total Amount	21,910.70
			Amount Paid	0.00
			Amount Owing	21,910.70

Figure 8: Screen capture of the Galcon Marine invoice (17 February 2021) [personal information redacted]

DETERMINATIONS AND FINDINGS

The CCG submission presents potentially eligible claims

(23) The Incident resulted in oil pollution damage within the territorial seas or internal waters of Canada, as well as in costs and expenses to carry out measures to prevent, repair, remedy, or minimize such damage. As a result, claims arising from the Incident are potentially eligible for compensation from the Fund.

(24) The CCG is an eligible claimant for the purposes of section 103 of the MLA.

(25) The evidence suggests that a discharge of oil occurred, and the submission arrived prior to the limitation period set out under paragraph 103(2)(a) of the MLA, which applies where oil pollution damage occurs.

(26) Some of the claimed costs and expenses arise from what appear to be reasonable measures taken to “prevent, repair, remedy or minimize” oil pollution damage from a ship, as contemplated under Part 6, Division 2 of the MLA, or under the International Convention on Civil Liability for Bunker Oil Pollution Damage, and are therefore potentially eligible for compensation.

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

Identification and description of the *SEA-Q TI*

(28) The Vessel is a 25-foot fiberglass Trojan cabin cruiser pleasure craft. It is powered by one 225-horsepower gasoline engine, with a fuel capacity of approximately 227 liters. It is estimated to have been built in or around 1992.

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

(29) The CCG included with its submission a narrative and supporting documents that set out the facts of the Incident and the response thereto in some detail. The descriptions of material events contained in the CCG’s documentation are accepted as generally accurate, save for certain evidentiary discrepancies that are detailed below.

The Vessel posed an oil pollution threat at the time of the Incident

(30) It is accepted that the Vessel posed a pollution threat. Multiple parties detected a strong fuel smell and oily sheen around the Vessel, and the latter is substantiated by pictures obtained from the CCG. Some of these pictures also show the Vessel being pumped and removed from the icy water. The quote that Galcon Marine issued to the CCG during the bidding process also notes that there was “a very slight sheen of petroleum on the water” around the Vessel.

Some reponse choices increased

(31) While the CCG’s search for bidders to perform the salvage operation was reasonable in the circumstances, it was not necessary to undergo a full-scale contracting process given the relatively small size of the Vessel, limited quantities of polutants and accessibility of the incident location.

(32) Additionally, the evidence indicates that several parties, including the TPMU, Toronto parks authorities, and Toronto firefighters, were ready and able to assist the CCG with certain aspects of the salvage operation, including local security and traffic control. It appears these options were not pursued.

CLAIM AND OFFER DETAILS

(33) The CCG presented its costs and expenses across four schedules, each of which is outlined below. To the extent that reasons are not already set out in this letter, the below explains why certain portions of the CCG's claim have been allowed while others have been disallowed.

Schedule 2 – Contract services

Claimed: \$21,910.70

(34) These costs arise from work performed by Galcon Marine, which dewatered the Vessel and removed it from the water. The contract with the CCG and resulting invoice are included in the claim submission.

(35) The CCG set a bidding process during which it received quotes from Galcon Marine and Scruton Marine to remove the Vessel.

(36) The Galcon Marine bid quoted a total lump sum price of \$16,000 plus GST, with the possibility of a \$3,390 overtime charge for weekend work (Figures 3-4).

(37) The Scruton Marine bid set out two possible salvage plans. Plan A (\$14,200) would have involved using pumps to dewater the Vessel and a recovery vehicle and trailer to remove the Vessel from the water. Plan B (\$16,300) would have involved dragging the Vessel to the loading ramp if initial dewatering was unsuccessful. The Scruton bid also included security. Both of its plans were subject to an overtime charge of \$1,500 for weekend work (Figures 5-7).

(38) On 10 February 2021, Scruton Marine informed the CCG officers at the scene that the Toronto Fire Department was planning a training exercise that could be incorporated into the salvage operation, with the Vessel being cut from the ice and pulled onto land. Work could have been completed as early as the next day. The CCG did not accept this proposal and continued the bidding process.

(39) The CCG ultimately selected Galcon Marine's quote. The CCG submitted that the Galcon Marine plan would best minimize the risk of further damage to the Vessel's hull. That plan's inclusion of a crane and diving team were identified as attractive features.

(40) Without disagreeing with the CCG that the Galcon Marine quote provided more extensive measures, Scruton Marine's plans apparently met the requirements set out in the Statement of Work. Put another way, the evidence does not establish that it was reasonable to reject the lower, apparently compliant bid from Scruton Marine. This is even before considering that the avoidable overtime charges in Scruton Marine's plan would have been cheaper than Galcon Marine's plan, and that the former plan included security, which the CCG had to provide at its own additional expense under the Galcon Marine quote.

(41) On these grounds, it is determined that \$14,910.00, the equivalent of Scruton Marine's Plan A plus 5% GST, were reasonably incurred.

The contract services portion of the submission is allowed in the amount of \$14,910.00.

Schedule 4 – Salaries – Full-Time Personnel Claimed: \$7,112.53

and

Schedule 5 – Overtime– Full-Time Personnel Claimed: \$6,180.93

(42) Schedules 4 and 5 will be discussed jointly in this section.

(43) The submitted spreadsheets indicate that a total of 254.25 hours of combined salary and overtime costs are claimed for nine CCG officers. Of these hours, 155 were charged at regular salary rates, and the remaining 99.25 hours were charged as overtime. The claimed salary and overtime costs were assessed for reasonableness both of the activities performed and of the level of effort in carrying out those activities.

(44) In the claim, the daily cost spreadsheets do not always match the calculated daily costs, nor do the total claimed salary costs match the claimed salary amount of \$7,112.53. Therefore, it was necessary first to reconcile the number of hours of work accepted as reasonable and then to apply the correct salary rates where necessary.

(45) Additionally, the CCG applied employee benefit plan (“EBP”) contributions to both salary and overtime costs at a rate of 13.75%. Once the allowed number of hours was established, EBP contributions were factored in at the Treasury Board rate of 27% and applied to the accepted costs.

Day 1: 8 February 2021

(46) On 8 February 2021, when the CCG was informed of the Incident, an Incident Commander gathered information to establish security directives for the response (5 hours), and a duty officer began contacting third parties and searching for the owner of the Vessel (10 hours).

(47) Work as described above would be expected for the Incident, although there is discrepancy. The narrative states that the CCG was notified of the Incident at approximately 5:00pm on 8 February. There were not 10 hours left to be worked on 8 February 2021 by the time the CCG was notified of the Incident. Even accepting that hours worked in the early morning of 9 February 2021 might have been attributed to 8 February 2021, it is not evident that work actually took place. There was no apparent urgency necessitating working overnight, and as well it would not seem that working

late at night would have served a useful purpose given the description of work performed. The description indicates the work was contacting allied agencies and documenting the file. It would be hard to contact other agencies late at night, and absent such contact, there would be little to document. In the result, it is concluded that this portion of the claim is in error. It is not accepted that the 7.5 hours claimed for the duty officer at regular rates represents time worked in response to the Incident. By contrast, the 2.5 hours of overtime work claimed are allowed at the 1.5 pay rate. This amount of time, incurred after regular work hours, fits the description of work done and the expected response to the Incident.

- (48) It is accepted that the Incident Commander would have worked to establish security directives, particularly considering the busy nature of Humber Bay Park and the high concentration of Covid-19 cases in the area at the time. Again, though, it is unclear when these five hours of work were performed, and it cannot be determined that they were all related to the Incident. Therefore, considering when the Incident was reported, three hours are allowed for this work, all of which would have occurred after normal working hours. Consequently, they are allowed at the 1.5 pay rate.
- (49) The allowed overtime costs for this day cover 5.5 hours of work performed by two officers, one paid at the GT-07 level and one paid at the GT-04 level, and amount to \$449.13.

Day 2: 9 February 2021

- (50) A total of 21.5 hours of work is claimed for 9 February 2021 and attributed to four officers. On this day, the CCG communicated with a harbourmaster and Transport Canada, searched Aboriginal treaty databases, searched for the owner of the Vessel, and began to establish a salvage plan.
- (51) Based on the submitted cost spreadsheets, there seems to have been duplication of some work performed. Three officers were engaged in liaison work. The utility of more than one representative of the CCG attending to such activities is not apparent.
- (52) Two officers who performed liaison work, both of whom are paid at the GT-05 level, also conducted Aboriginal treaty searches and requested relevant environmental and weather data. These tasks are a reasonable investigation at this stage of the response, but the need for two officers to be assigned to this effort is not obvious. Nothing in the evidence allays the concern that having two persons on this task creates duplication. One GT-05 officer could have performed the Aboriginal research and liaison tasks, and the three hours claimed for one officer are allowed.
- (53) Based on the cost spreadsheet and duplicative work performed by the two other officers, that the 11.5 hours worked by the duty officer is also not accepted as reasonable. According to his listed tasks, he would have continued his outreach to stakeholders such as the TPMU and interviewed past owners of the Vessel via telephone. A full day's work (7.5 hours at the straight pay rate) is allowed for this

work. An additional 2 overtime hours are allowed to account for the fact that, as the narrative suggests, some of this work occurred after normal working hours. Put another way, two hours is removed from the duty officer's overtime to account for apparent duplication of liaison efforts, as judged by the time claimed for (and disallowed) in respect of one of the GT-05 officers (for whom a claim of 2 hours was submitted).

- (54) Finally, it has not been established that the five hours claimed for the Incident Commander were necessary. The evidence does not permit a clear understanding of how the response was furthered by the Commander's efforts on this day. In the absence of clear evidence, but accepting that some amount of coordination of other resources was necessary, one hour is accepted.
- (55) The allowed salary and overtime costs for this day cover 11.5 salary hours worked by a GT-07 officer, a GT-05 officer, and a GT-04 officer, as well as 2 overtime hours worked by the latter officer. The total of these salary and overtime costs is \$689.29.

Day 3: 10 February 2021

- (56) A total of 63.75 hours of work is claimed for 10 February 2021 and attributed to nine officers. On this day, the Incident Commander sent two officers to the scene to assess the Vessel and communicate with contractors. Further attempts to locate the owner of the Vessel were also made.
- (57) While it was reasonable for the Incident Commander to do some level of work on this day to send the officers to Humber Bay Park, the eight hours of work claimed for her are not justified by the submitted evidence. It cannot be determined what work was performed during this time and how much time it would have taken, but it is accepted that some ongoing coordination and supervision were needed. Therefore, one hour is accepted for gathering information and briefing the traveling officers.
- (58) The officers who traveled to Humber Bay Park from the CCG base in Sarnia, ON, are paid at the GT-05 level. One, the chief of planning, assessed and documented the Vessel (12.25 hours); the other, the chief of logistics, communicated with contractors at the scene (10.5 hours). These hours are accepted as claimed.
- (59) The cost spreadsheet for this day suggests that the only substantive work in relation to the Incident that was performed on this day was the travel and on-site work mentioned above. The remaining work listed for this day has not been established as necessary to an oil pollution response, or seems to be duplicative of efforts already accepted for compensation. The remaining hours are therefore disallowed.
- (60) The allowed salary and overtime costs for this day cover 22.75 hours worked by two GT-05 officers, of which 7.75 are attributed to overtime, as well as one hour worked by a GT-07 officer. The total of these allowed costs is \$1,486.54.

Day 4: 11 February 2021

- (61) A total of 65 hours of work is claimed for 11 February 2021 and attributed to eight officers. The evidence does not permit an understanding of what was being done by those eight employees.
- (62) On the available evidence, only a few officers would have been required to prepare a Statement of Work, communicate with contractors, and receive the contractor quotes. It is not established that 65 hours of work in one day would be required to complete these tasks.
- (63) Again, there is duplication in the work of some of the mentioned officers. For example, three officers are listed as having reviewed contractor quotes and/or communicated with contractors. This level of effort is not established as necessary by the evidence. One officer would have been sufficient to liaise with contractors.
- (64) There are also numerous hours that either fall outside the Fund's mandate or cannot be determined with any precision, covering tasks such as preparing for future operational responses and editing press releases. As well, annotating satellite images of the Humber Bay Park area might well have been useful in the response. However, here, its purpose is not clear given that this work was apparently done *after* the CCG had already attended at the scene, and on the same day quotes were received from contractors who would actually take the measures. These hours are disallowed.
- (65) Four hours of work performed by the GT-04 duty officer (for whom 10 hours are claimed) are allowed, accounting for communication with contractors, reviewing quotes, and updating stakeholders. Based on the cost spreadsheet and listed tasks, it is impossible to determine whether the remainder of his claimed hours were reasonably incurred in relation to the Incident. They are therefore disallowed.
- (66) Finally, a GT-05 officer drafted the Statement of Work and would have updated the Incident Commander upon its completion. For this work, one hour for each of these officers is allowed.
- (67) The allowed salary costs for this day cover six hours of work performed by a GT-04 officer, a GT-05 officer, and a GT-07 officer, and amount to \$296.73.

Day 5: 12 February 2021

- (68) A total of 42 hours of work is claimed for 12 February 2021 and attributed to six officers. On this day, the contract with Galcon Marine was finalized and the salvage operation was prepared. The wording of certain work tasks on this day suggests that contractors also had to submit revised quotes, but no documentation associated with those revisions is available for consideration.

- (69) Again, the submitted spreadsheets do not justify the amount of work listed. Several of the claimed hours are insufficiently related to the oil pollution response operation, or are duplicative, so as to be non-compensable from the Fund. Completing weather reports might generally be useful to an organization carrying out a response, but here, the CCG had engaged a contractor who was responsible for carrying out the work. Having delegated responsibility for taking the measures, the usefulness of the CCG carrying out an analysis of the weather is not established. Similarly, this day again saw multiple officers performing liaison work.
- (70) The value of discussions on media releases is not established by the evidence.
- (71) Time devoted to security arrangements is disallowed on the grounds that it would not have been incurred had the Scruton Marine quote, which provided for such arrangements, been accepted (Figure 6).
- (72) Substantive work performed on this day included reviewing revised contractor quotes, liaising with third parties, and finalizing the contract. Three hours is allowed for the GT-05 officer who reviewed the quotes, which likely would have included updating the Incident Commander on any changes in the quotes and clarifying any details with the contractors. Relatedly, one hour is allowed for the GT-07 Incident Commander, who would have received updates on the revised quotes.
- (73) Finally, while the work of the GT-04 duty officer is relevant to the oil pollution response operation, it overlaps considerably with the work of the GT-05 officer who reviewed the revised contractor quotes. In light of this, it cannot be determined that his eight claimed work hours fall within the Fund's mandate. Rather, two hours are allowed for stakeholder updates, the remainder of his work which is not duplicative.
- (74) In total, six salary hours are allowed for this day, covering four hours by a GT-04 officer and one hour each by a GT-05 and GT-07 officer. These costs amount to \$312.56.

Day 6: 13 February 2021

- (75) The cost spreadsheet indicates that on this day, four officers travelled to Humber Bay Park: two from Sarnia and two from Parry Sound. The decision to send an additional team from Parry Sound is not justified on the evidence. Indeed, this salvage operation had been entrusted to a contractor, and two officers from Sarnia had already visited the scene three days earlier.
- (76) Similarly, it was unnecessary for the Incident Commander to spend time remotely monitoring the operation. Two officers were present at the scene to monitor the contractor's work. These costs are also disallowed.
- (77) Accordingly, salary and overtime costs in the amount of \$1,800.72 are allowed for the two officers who traveled from Sarnia to monitor the operation. Twelve hours were

claimed for each officer, all of which are overtime hours (at the 1.5 rate) because the operation occurred on a Saturday.

The salary portion of the submission is allowed in the amount of \$2,022.47.

The overtime portion of the submission is allowed in the amount of \$3,012.50

Schedule 13 – Administration

Claimed: \$410.77

(78) This portion of the claim represents 3.09% of the claimed salary costs, excluding the markup associated with EBP contributions (27%). This method of calculating administration costs has been generally accepted in past CCG claims and is accepted here.

(79) As is noted in the claim itself, the CCG sought to recover the administration rate on overtime costs. This is not permitted under the standing agreement on administrative costs, and no rationale for departing from that regime was identified in the claim submission.

(80) The reductions made under this Schedule correspond to the portion of salary costs that have been disallowed. Excluding EBP contributions and applying the 3.09% rate to the accepted salary costs yields a total of \$49.21.

The administration portion of the submission is allowed in the amount of \$49.21.

OFFER SUMMARY AND CLOSING

(81) The following table summarizes the claimed and allowed expenses in the *SEA-Q TI* matter:

Schedule	Claimed	Allowed
2 – Contract services	\$21,910.70	\$14,910.00
4 – Salaries – Full Time Personnel	\$7,112.53	\$2,022.47
5 – Overtime – Full Time Personnel	\$6,180.93	\$3,012.50
13 – Administration	\$410.77	\$49.21
Totals	\$35,614.93	\$19,994.18

Table 1: Summary of amounts claimed and allowed

(82) Costs and expenses in the amount of \$19,994.18 are accepted and will be paid together with statutory interest calculated at the date of payment if the Offer is accepted.

(83) In considering this Offer, please observe the following options and time limits that arise from section 106 of the MLA.

(84) You have 60 days upon receipt of this Offer to notify the undersigned whether you accept it. You may tender your acceptance by any means of communication by 16:30 Eastern Time on the final day allowed. If you accept this Offer, payment will be made to you without delay.

(85) Alternatively, you have 60 days upon receipt of this Offer to appeal its adequacy to the Federal Court. If you wish to appeal the adequacy of the Offer, pursuant to Rules 335(c), 337, and 338 of the *Federal Courts Rules*, SOR/98-106, you may do so by filing a Notice of Appeal in Form 337. You must serve it upon the Administrator, who shall be the named Respondent. Pursuant to Rules 317 and 350 of the *Federal Courts Rules*, you may request a copy of the Certified Tribunal Record.

(86) The MLA provides that if no notification is received by the end of the 60-day period, you will be deemed to have refused the Offer. No further offer will issue.

(87) Finally, where a claimant accepts an offer of compensation, the Administrator becomes subrogated to the claimant's rights with respect to the subject matter of the claim. The claimant must thereafter cease any effort to recover for its claim, and further, it must cooperate with the Fund in its subrogation efforts.

Yours sincerely,

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