

Florida Deepwater Horizon Response and Recovery Workgroup #3: Review Scope of Private Sector Damages and Processes for Compensation

Representatives Crisafulli (Lead), Ford, Grady, Long, Rouson, Wood

Task: To review the claims processes and damages available to private citizens and businesses and:

- Determine options available under the independent claims process set up by BP (and its transition to an independent administrator).
- Determine applicability and options under relevant state and federal laws.
- Identify conflicts and barriers in current law and any deficiencies that limit remedies.
- Work with federal officials, the independent claims administrator and the key industries impacted to ensure the public has a clear understanding of the process, procedures and timing for recouping losses or other damages.
- Determine if there are interim or supplemental measures the state should consider that would complement this new process or state and federal law.

Background Information from the Southeastern Fisheries Association for 8/19/10 Conference Call

When the announcement was made that \$20 billion dollars would be available to help fishermen and the other industries impacted by the oil disaster, people came out of the woodwork seeking a way to cash in on the fishermen's dilemma.

In several states and in several fisheries, the number of commercial fishing licenses increased exponentially and many people who claimed they were commercial fishermen and had a license, got compensated by BP. The claims team should examine the background of each claimant to determine if they are truly a commercial fisherman or just a person who wants to get part of the BP money while posing as a fisherman.

In order to have enough money to go around to all those legitimate claimants that were damaged, cheaters must be kept out of the process because every dime a cheater receives is a dime a legitimate fisherman or business won't receive.

Florida fishermen receiving compensation from BP must have trip tickets on file with the Florida Fish & Wildlife Commission showing the following:

1. They are a duly licensed fisherman under the laws of Florida and all other laws applicable for harvesting seafood products for sale.

2. They must have trip tickets to support their claims as to species and pounds of product harvested for the previous year and several years back if necessary.
3. Crew-members must prove they worked on a commercial fishing boat as attested to by the owner and records available confirming income.

Florida fish dealers receiving compensation from BP must have a current wholesale seafood dealer's license and contemporaneous records showing the amount and types of seafood purchased from commercial harvesters. They must also have receiving records for products purchased from other sources, indicating the amount and type of products they purchased and sold in the previous year and several years previous if necessary.

Wholesale dealers that make claims for lost sales must show invoices for sales from the previous year and not a made up loss of sale. A wholesaler might say to BP, I was going to sell chain store X, but the oil spill killed that sale. The truth might be the wholesaler never sold chain store X and had no contract to sell chain store X but they might try to convince the claims person they lost the sale because of oil. Someone in the claims process needs to verify from chain stores X, Y & Z if they had planned to buy seafood from the specific claimant who claims the chain store didn't buy because of the oil spill.

While publication of the claimants name and amount received would reduce the number of fraudulent claims significantly, many legitimate businesses feel their proprietary information used as the basis for a claim should not be shared with others, so SFA does not support a public listing of amount of money paid to each claimant. The total amount of claims payments distributed to states, fisheries and sectors should be compiled and made available to the public.

Bob Jones, Executive Director
Southeastern Fisheries Association Inc.
1118-B Thomasville Road
Tallahassee, Florida 32303
850/224-0612
www.seafoodsustainability.us