



Compensation Schedule Frequently Asked Questions

1) What is Natural Resource Damage Assessment?

Natural Resource Damage Assessment (NRDA) is a scientific and legal process by which natural resource trustees (“Trustees”) determine injuries, assess damages, and develop and implement restoration projects that compensate the public for injuries to natural resources impacted by an oil spill. Pursuant to the Oil Pollution Act (OPA) and the Louisiana Oil Spill Prevention and Response Act (OSPRA), the party responsible for the oil spill is liable for paying, among other things, the cost of restoration and reasonable assessment costs incurred by the Trustees.

2) What is meant by the term “Compensation Schedule”?

The “Compensation Schedule” is an expedited assessment procedure that the Trustees may apply to a subset of oil spills to more quickly and efficiently assess natural resource injuries caused by an oil spill. The intent is that the expedited nature of this procedure will reduce assessment costs and allow the Trustees to begin restoration planning and implementation sooner for these spills.

3) When does the Compensation Schedule apply? What is the relationship between the Compensation Schedule and existing procedures and processes to assess natural resource damages for oil spill incidents? How does the Compensation Schedule relate to the NRDA Restoration Banking program?

The Compensation Schedule may be used, at the sole discretion of the Trustees, as an expedited assessment procedure to assess natural resource injuries from a certain subset of oil spills in Louisiana. The Trustees may apply the Compensation Schedule to spills that (a) arise from an unauthorized discharge of crude oil, or other oil that in the sole discretion of the Trustees interacts with the environment in a manner similar to crude oil; (b) occur in the Louisiana Coastal Area (i.e., the Louisiana Coastal Zone and contiguous areas subject to storm or tidal surge and the area comprising the Louisiana Coastal Ecosystem as defined in section 7001 of P.L. 110-114); and (c) impact coastal herbaceous wetlands and/or coastal forested wetlands.

The requirements of OPA and OSPRA – both from a substantive and procedural standpoint – still apply. The Trustees will conduct a field investigation to collect information about the spill and its impact. The Trustees may then utilize the Compensation Schedule as a basis for negotiated settlements in which the responsible party (“RP”) pays the Trustees a certain amount to resolve natural resource damage claims. The Trustees may utilize these funds to: (1) purchase restoration credits that are consistent with the requirements of OPA and OSPRA from restoration banks certified and established in accordance with La. Admin. Code 43:XXXI.Chapter 1, or (2) if no appropriate restoration bank credits become available within a reasonable time frame, fund existing restoration strategies or plans.



4) What is the role of the Responsible Party (“RP”) in the Compensation Schedule process?

Though application of the Compensation Schedule may expedite the resolution of NRDA liability, the role of the RP in the Compensation Schedule process is consistent with its role in the NRDA process specified in OPA and OSPRA. For example, the RP will be invited to participate in the field investigation and other assessment activities and given notice of (and, where appropriate, the opportunity to comment on) Trustee decisions.

5) What is the role of the public in the Compensation Schedule process?

The role of the public in the Compensation Schedule process is consistent with its role in the NRDA process specified in OPA and OSPRA. For example, the public will have an opportunity to review and comment on the draft damage assessment and restoration plans and settlement documents, as well as the opportunity to give input on potential restoration projects to compensate for the spill(s).

6) What is the role of the landowner in the Compensation Schedule process?

The role of the landowner in the Compensation Schedule process is consistent with its role in the NRDA process specified in OPA and OSPRA. For example, the landowner will have an opportunity to review and comment on the draft damage assessment and restoration plans and settlement documents, as well as the opportunity to give input on potential restoration projects to compensate for the spill(s).

7) What is a Discounted Service Acre-Year or “DSAY”?

DSAY is a unit of measure commonly used in habitat equivalency analysis and reflects the level of ecological services provided by a specified acreage of habitat over time, adjusted to account for differences in timing between the provision of injured and compensatory ecological services. Habitat equivalency analysis is a methodology commonly used in NRDA to quantify losses in ecological services provided by injured natural resource habitat over time and estimate the scale of compensatory restoration actions appropriate to offset quantified losses.

8) Will the Compensation Schedule be expanded in the future to address other spills?

The Trustees may work to broaden application of the Compensation Schedule if application of the current Compensation Schedule is successful.