



Mr. Erik Kappelin
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31 May 2006

Dear Mr. Kappelin:

Pursuant to our May 12, 2006 meeting regarding the April 27, 2006 grounding of the *T/V Margara* within the coastal waters of Puerto Rico, this letter confirms the understanding of the state and federal natural resource trustees that you and your firm, Independent Maritime Consulting, Ltd., are the acting representative of Ernst Jacob GmbH & Co KG, the responsible party for purposes of addressing the natural resource damages caused by this Incident). The Puerto Rico Department of Natural and Environmental Resources (DNER), and the National Oceanic and Atmospheric Administration (NOAA), are the natural resource trustee agencies with authority to address the natural resource injuries caused by the Incident, including all emergency restoration and natural resource damage assessment matters (NRDA). Because the Incident occurred less than nine nautical miles south of Tallaboa, Puerto Rico, DNER is serving as the Lead Administrative Trustee (LAT) and is the point of contact for responsible party and trustee communications. As Director of the Marine Resources Division for Puerto Rico DNER, I represent DNER and am the functional point of contact for the trustees. Kevin Kirsch and Tom Moore are representing NOAA for injury assessment and restoration matters, respectively.

Puerto Rico DNER and/or NOAA are authorized to pursue emergency restoration and natural resource damage assessment for natural resources injured by the *T/V Margara* Incident under a number of laws and regulations, including:

- Commonwealth Law 147 of July 15, 1999 (Law for the Protection, Conservation and Management of Puerto Rico Coral Reefs),
- The Oil Pollution Act of 1990 (33 U.S.C. 2701 *et seq.*), and
- Natural Resource Damage Assessment Regulations at 15 C.F.R. Part 990.

This letter reiterates and sets forth a proposed schedule of emergency restoration actions that have been cooperatively identified during 1) early May 2006 site reconnaissance, 2) our May 12, 2006 meeting and 3) the emergency restoration operations that were initiated on May 15, 2006. This is not a comprehensive schedule of all actions associated with emergency restoration or natural resource damage assessment for the Incident; rather, it is



only an overview of emergency restoration actions that have been cooperatively discussed and a proposed schedule for implementation. As discussed during our May 12, 2006 meeting, an agreement providing for the full and cooperative execution of emergency restoration and NRDA activities is being developed and will be sent to you in the near future for your review, comment and execution. Implementation of the enclosed schedule of emergency restoration actions is intended to reduce or minimize the extent of long-term injuries to impacted coral species and corresponding compensatory restoration requirements. However, successful implementation of these actions alone does not release the responsible party from its liability for natural resource damages resulting from this Incident.

Attachment I to this correspondence is a table describing the type of emergency restoration actions currently identified as necessary, roles and responsibilities for implementing these actions, and the proposed schedule for initiating and completing these actions.

Attachment I is general in scope and is subject to amendment as additional information is known. Task descriptions are intentionally general to provide latitude to the responsible party and trustees alike to make minor, timely revisions in the field as emergency restoration proceeds. Material changes to this schedule, when identified through continued emergency restoration implementation, may be agreed to in writing between the trustees and responsible party.

Trustee costs incurred in executing the activities identified in Attachment I, as amended, shall be billed to the responsible party. Puerto Rico DNER shall bill its costs on or around the 15th day following the end of each quarter of work. The first quarter shall close on July 30th, 2006 with DNER costs billed to the responsible party (as represented by Independent Maritime Consulting, Ltd) on or around August 15th, 2006. Puerto Rico DNER requests payment of these costs within 30 days of receipt by the responsible party. NOAA shall bill its costs separately on a schedule that it shall agree to with the responsible party (as represented by Independent Maritime Consulting, Ltd).

Mr. Kappelin, the Trustees are pleased regarding the cooperation provided by the responsible party to date and look forward to continue working cooperatively with you throughout the NRDA process. Thank you.

We look forward to a continued cooperative relationship with the responsible party in restoring the resources injured during the *T/V Margara* Incident in an efficient, effective and expeditious manner.

Please sign at the bottom of this correspondence to acknowledge receipt and agreement with the information provided in this letter, and return it to me within five (5) working



days of receipt herein. Please feel free to contact me with any questions or comments you may have. Thank you.

On behalf of the Trustees,

Dr. Craig Lilyestrom,
Director, Marine Resources
Puerto Rico DNER
T/V Margara Incident LAT

Cc: Kevin Kirsch, NOAA
Tom Moore, NOAA
Bruce Graham, CSA

Agreed to:

Mr. Erik Kappelin
Independent Maritime Consulting, Ltd.
Agent for *T/V Margara* Responsible Party

Date



ATTACHMENT I
T/V Margara Grounding Incident
Emergency Restoration Identified As of May 30, 2006

| Emergency Restoration Action | Description of Action | Responsibilities for Action | Estimated Time Schedule of Action |
|---|---|---|---|
| Hard Corals Reorientation | <ul style="list-style-type: none"> • Flipping or righting the majority of salvageable hard corals at all impact locations; • Aggregating flipped corals into multiple groups (cache). | <p><i>Implementation:</i> RP with Trustee support and oversight, as appropriate.</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> May 15, 2006</p> <p><i>Complete:</i> June 15, 2006</p> |
| Soft Corals Reorientation | <ul style="list-style-type: none"> • Collecting the majority of salvageable soft corals at all impact locations; • Attaching soft corals to the “clothesline” system in order to keep them upright.. | <p><i>Implementation:</i> RP with Trustee support and oversight, as appropriate.</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> May 15, 2006</p> <p><i>Complete:</i> June 15, 2006</p> |
| Site Mapping | <ul style="list-style-type: none"> • Map the entire potential impact area using towed diver, sidescan, towed video or other acceptable technique in order to determine the general location of each impact area. • Map the perimeters and severity of each identified impact area using a technique that will allow an accurate calculation of total area impact. | <p><i>Implementation:</i> RP with Trustee support, and oversight, as appropriate.</p> <p><i>The RP should prepare a Site Mapping strategy memo for approval by the trustees before this work begins.</i></p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> As soon as possible, but no later than June 5, 2006</p> <p><i>Complete:</i> July 15, 2006</p> |
| Demarcation of Impact Sites and coral caches | <ul style="list-style-type: none"> • Mark impact sites using GPS AND markers that will stay in place to extent feasible (e.g., submerged buoys; SS stakes) • Mark coral caches with submerged buoys. | <p><i>Implementation:</i> RP with Trustee support, as appropriate.</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> May 15, 2006</p> <p><i>Complete:</i> July 15, 2006</p> |



| ATTACHMENT I (Continued) T/V Margara Grounding Incident Emergency Restoration Identified as of May 30, 2006 | | | |
|--|--|--|--|
| Emergency Restoration Action | Description of Action | Responsibilities for Action | Estimated Time Schedule of Action |
| Video/ Photographic Documentation | <ul style="list-style-type: none"> • Record extent of impact sites using video and/or still photo documentation • Use markers, signs, etc. to georeference sites with photographic or video documentation with each impact area. • Add scale to pics/video • Record proximal un-impacted areas to each site as well to identify baseline conditions of resources, to extent feasible. | <p><i>Implementation:</i> RP with Trustee support and oversight, as appropriate.</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> May 15, 2006</p> <p><i>Complete:</i> July 31, 2006</p> |
| Coral Reattachment Strategy | <ul style="list-style-type: none"> • Develop a coral reattachment strategy that will permanently reattach all cached hard and soft corals. • Strategy should seek to mimic natural site conditions and promote natural recovery as best possible. • Strategy should determine whether, and to what extent, reattachment should occur at all or some of the impacted areas. • Implement strategy as approved by trustees. | <p><i>Implementation:</i> RP with Trustee support and oversight, as appropriate.</p> <p>Trustees approve strategy.</p> <p>The RP should prepare a plan for approval by the Trustee's.</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> As soon as possible, but no later than June 30, 2006</p> <p>Reattachment Plan to be submitted to Trustees for approval no later than June 15, 2006</p> <p><i>Complete:</i> September 30, 2006.</p> |
| Paint Removal | <ul style="list-style-type: none"> • Develop a strategy for removing paint that minimizes resuspension of paint and sediment and results in removal of paint to extent practicable. • Implement strategy as approved by trustees. | <p><i>Implementation:</i> RP with Trustee support and oversight, as appropriate. The RP should prepare a plan for approval by the Trustee's.</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> July 1, 2006</p> <p>Paint Removal Plan to be submitted to Trustees for approval no later than June 15, 2006</p> <p><i>Complete:</i> September 30, 2006</p> |



ATTACHMENT I (Continued)
T/V Margara Grounding Incident
Emergency Restoration Actions Identified As of May 30, 2006

| Emergency Restoration Action | Description of Action | Responsibilities for Action | Estimated Time Schedule of Action |
|--|--|--|--|
| Emergency Restoration Plan | <ul style="list-style-type: none"> • Develop an Emergency Restoration Plan that addresses all above factors AND any other issues necessary for completion of emergency restoration actions. • Emergency restoration plan must comport with all pertinent statutory and regulatory state and federal requirements • Approve Emergency Restoration Plan | <p><i>Implementation:</i> Trustees</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> As soon as possible, but no later than June 1, 2006</p> <p><i>Complete:</i> July 15, 2006.</p> |
| Emergency Restoration Monitoring Plan | <ul style="list-style-type: none"> • Develop a plan to quantitatively monitor the success of reattachment efforts and the conditions at areas where bottom paint was removed. | <p><i>Implementation:</i> RP</p> <p>The RP should prepare a monitoring plan for approval by the Trustee's</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> No later than August 1, 2006</p> <p><i>Complete:</i> Monitoring Plan to be submitted to Trustees for approval no later than August 15, 2006.</p> |
| Emergency Restoration Monitoring | <ul style="list-style-type: none"> • Implement approved monitoring plan. | <p><i>Implementation:</i> RP and Trustees</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> September 1, 2006</p> <p><i>Complete:</i> September 30, 2007</p> |



ATTACHMENT I (Continued)
T/V Margara Grounding Incident
Emergency Restoration Actions Identified As of May 30, 2006

| Emergency Restoration Action | Description of Action | Responsibilities for Action | Estimated Time Schedule of Action |
|---|---|--|---|
| Public Notification of Emergency Restoration | <ul style="list-style-type: none"> • Develop a public notice for emergency restoration actions once major emergency actions are known. • Conduct a public notification of emergency restoration at a time that is contemporaneous with Emergency Restoration Actions. | <p>Implementation: Trustees</p> <p><i>Monitoring and Approval:</i> Trustee</p> <p><i>Funding:</i> RP</p> | <p><i>Initiate:</i> June 15, 2006</p> <p><i>Complete:</i> August 15, 2006</p> |
| RP = Responsible Party | | | |