



STATE OF FLORIDA

**PAM BONDI
ATTORNEY GENERAL**

May 17, 2011

VIA U.S. MAIL AND EMAIL

Kenneth R. Feinberg, Esq.
Feinberg Rozen, LLP
The Willard Office Building
1455 Pennsylvania Avenue, NW
Suite 390
Washington, DC 20004-1008

Re: Gulf Coast Claims Facility ("GCCF")

Dear Mr. Feinberg:

I am writing this letter as a follow-up to our February 18th meeting as well as the ongoing communications between my office and your staff, including the April 18th Executive Summary. I also acknowledge your letters to Governor Scott. I appreciate your efforts to engage in an ongoing dialogue with my office to assist the citizens of the State of Florida.

This letter notes both the recent improvements to the GCCF process as well as certain continuing areas of concern. To summarize my concerns, I continue to urge you to have more transparency in the GCCF process and remain troubled by the slow pace of payments to Florida claimants. I am also still seeking the implementation of a meaningful outside audit process, so my constituents and I will have a way to evaluate whether the GCCF is acting fairly and in accordance with the law. During our last meeting, you promised to take this last request under consideration and I look forward to hearing from you as soon as possible regarding the prompt implementation of such a process.

The Deepwater Horizon oil spill had far-reaching effects on Florida and other Gulf Coast communities, spanning from the tourism industry to the fishing industry and more. At our most recent meeting, I offered numerous ideas to improve the fairness and efficiency of the GCCF process so that Floridians can receive the compensation they deserve.

I am glad that you have implemented some of the solutions that I offered to improve the GCCF process, including: (a) deploying additional local adjusters to Florida claims offices; (b) implementing a single point of contact system for claimants at the local claims offices; (c) providing claimants with a list of local accountants and including the cost of the accountants in any paid claim; and, (d) informing claimants of the nature of any missing documentation at the time of claim payment or denial and then allowing them to resubmit a claim (or at least a final claim) with that documentation. I appreciate your efforts in this regard.

I remain concerned, however, by the GCCF's continuing failure to make timely, substantial interim or final full review payments, especially since the GCCF began Phase II operations in November 2010. Of the seventy-one thousand (71,000) interim or final full review claims submitted by Floridians, only sixteen thousand (16,000) of these claims have actually been paid to date. To put it another way, less than one in four Florida claimants has received a payment for these claims, after six months.¹ Even the interim payments that have been made are quite small, with an average payment of approximately \$6,000.00 for individual claimants from Florida; similarly, the average payment for final full review claims has been only \$9,500.00 for individual claimants from Florida.

There are fifteen thousand (15,000) Florida claims where the GCCF has simply sent a letter requesting more information while another twelve thousand (12,000) Florida claims are "under review." Finally, more than twenty-one thousand (21,000) claims have been denied or determined to have no loss.

The backlog of unresolved interim claims from Florida has actually **increased** by more than six thousand (6,000) claims in the last three months. It is very important that the GCCF keep up with the pace of interim claims. As you know, my office insisted that the GCCF include interim claims in the process as these claims are a way to compensate recent losses, without the execution of a release form.

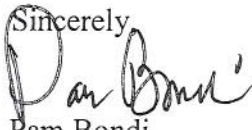
On April 19th, I met with several fishing boat captains in Panama City and heard firsthand their struggle to receive interim payments, keeping them in business while reserving their right to seek relief based on future fishery conditions. These captains told me they had submitted all of the necessary paperwork but were still waiting on payment, an all-too frequent complaint. I would like to provide you with a copy of their claims information and ask you to provide a response, including the justification for the payment delay.

The GCCF has paid another nine thousand (9,000) quick pay claims from Florida during the last three months. As you know, the absence of transparency prevents my office from determining if people are abandoning their interim or final full review claims and resorting to quick pay claims due to the continuing delays and economic desperation. I would note, however, that the GCCF has made \$460 million in quick payments to

¹ Business claimants from Florida have faced an even tougher time than the overall numbers would reflect, with only eleven percent (11%) of their interim or final full review claims having been paid.

Floridians but only \$51 million in interim payments and \$123 million in final full review payments. The quick pay claims option should be one of last resort, but the GCCF has focused on the quick payment claims to the detriment of those seeking interim and final payments, the only two payment options authorized by the Oil Pollution Act of 1990.²

Mr. Feinberg, I look forward to working with you to ensure that the GCCF claims process is made both fair and efficient. The citizens of Florida deserve nothing less. I invite you to return to Florida so that we can continue our open dialogue over improvements to the claims process.

Sincerely,

Pam Bondi
Attorney General

² In contrast, the GCCF paid almost a billion dollars in emergency, short-term payments to Floridians from August to November 2010.