

December 5, 2000

United States Department of Commerce  
National Oceanic and Atmospheric Administration  
National Oceanic Service  
Bldg. SSMC#4, N/ORR3  
1305 East-West Highway  
Silver Spring, Maryland 20910

**Subject:** Indirect Costs Incurred by the NOAA Damage Assessment and Restoration Program (DARP) for Fiscal Years (FY) 1993 through 1999

**Attention:** NOAA DARP Board of Directors

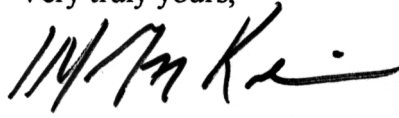
Rubino & McGeehin, Chartered (R&M) was requested by NOAA to develop and document an indirect cost rate methodology for three organizations within the DARP to facilitate environmental cost recovery under National Resources Damage Assessment (NRDA). We understand that the indirect rates recommended by us will be used to support NRDA costs and may also form the basis for cost recovery claims in litigation.

We have performed the procedures summarized below to assist you in accounting and documenting the total costs for NRDA conducted by the DARP. Specifically, our scope of work included the following:

1. Reviewing the procedures used to document costs, including financial management and business practices,
2. Testing cost data used to develop the indirect rate,
3. Determining the an appropriate cost allocation method, and
4. Calculating indirect cost rates for three DARP organizations: Damage Assessment Center (FY 1993 to FY 1999), General Counsel for Natural Resources (FY 1993 to FY 1999), and the Restoration Center (FY 1997 to FY 1999).

The accompanying report describes in more detail the scope of our work and results.

Very truly yours,

A handwritten signature in black ink, appearing to read "W M Kime". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

William M. Kime  
Rubino & McGeehin, Chartered

WMK:ms