

Testimony of
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Good afternoon Mr. Chairman. My name is Jeff Angers, and I am the president of the Center for Coastal Conservation.

The Center for Coastal Conservation is a coalition of the leading advocates for marine recreational fishing and boating. We are dedicated to promoting sound conservation and use of America's marine resources. Our organization includes the American Sportfishing Association, Coastal Conservation Association, International Game Fish Association, National Marine Manufacturers Association, The Billfish Foundation, as well as other institutions and individuals across the country.

Thank you for giving us this opportunity to address the Commission on impacts of the Deepwater Horizon Oil Spill to recreational fishing and boating and related businesses.

Fishing, both recreational and commercial produces over \$160 billion for the American economy. In 2006 saltwater recreational angler expenditures alone filtering through the U.S. economy contributed \$82.3 billion in total sales, \$39.1 billion in value-added, \$24.0 billion in income, and supported nearly 534,000 jobs in the U.S.

I'm a native Louisianian and a recreational fisherman. My favorite fishing hole is in the far southeastern corner of our state: Venice, Louisiana. This small community has traditionally been almost wholly supported by two types of business: fishing and oil. Today, Venice is a main staging area for BP oil spill recovery efforts.

I toured the Mississippi Delta a few weeks ago, and like thousands of others who enjoy the coast, I was shaken. And I am heartbroken.

The BP spill is on track to devastate the Gulf's recreational fisheries and recreational fishing-dependent businesses for many years to come.

While much of the focus both in the media and by the Administration has been on the impacts to commercial fishing operations, the devastation inflicted upon the recreational fishing sector in the "Sportsmen's Paradise" must be addressed as well.

As with any disaster, natural or man-made, coming to grips with the scale of the event is often difficult for people not directly affected. To put it in perspective for our federal decision-makers, the area closed to all fishing in the Gulf of Mexico is 18 times the area of the Chesapeake Bay. The current closure is about 20 percent larger than the entire Chesapeake Bay watershed. I know some of you have fished on the Chesapeake. All the marinas and restaurants and shops surrounding the Chesapeake are dependent on a steady flow of people to enjoy its waters and resources. Now imagine that no one could fish for striped bass in it or eat seafood from it. Imagine the impact to not just the watermen who earn a living directly from it, but to every business surrounding it. This is what we are dealing with in the Gulf of Mexico with a closed area that spans nearly 90,000 square miles across four states.

Recreational fishing contributes \$41 billion dollars in economic output in the Gulf Coast region annually and supports over 300,000 jobs. The Gulf of Mexico is one of the most popular areas

for recreational fishing in the country with nearly six million saltwater anglers taking over 45 million fishing trips each year, catching redfish, speckled trout and red snapper among others.

The massive Deepwater Horizon oil spill has impacts far beyond these fish species and these anglers — it's having a devastating impact on the thousands of businesses patronized by anglers. For example, the 2,300 bait and tackle shops in Texas, Louisiana, Alabama, Mississippi, and the West Coast of Florida are directly impacted. These economic impacts will be far reaching, affecting a variety of associated business, including equipment and tackle manufacturers and distributors, the boating industry, marinas, charter vessels and guides, sportfishing clubs, tournament operators, motor sales and repairs, hotels, gas stations and restaurants.

The crude oil that is assaulting our shores is penetrating far deeper than our beaches and marshes. It is acting like a poison polluting our economy and our very way of life.

According to a recent economic impact study (attached) conducted by Gentner Consulting Group for the American Sportfishing Association, if the entire Gulf were closed to recreational fishing from May through August, the region would lose \$1.1 billion in revenue, which supports \$2.5 billion in total sales, \$1.3 billion in value added, \$811.1 million in income and 18,785 jobs.

The entire Gulf is not closed, nor is it likely to ever be closed all at once. Even though the closures announced to date have encompassed only about a third of the Gulf, Gentner asserts that any closure is likely to reduce the trips taken by more than just the area closed because anglers, particularly non-resident anglers, will likely avoid taking a saltwater fishing trip even if their local waters are not officially closed due to adverse feelings about encountering the oil spill. This will be particularly true as the spill spreads to other popular tourist areas on the Florida Coast. If the spill – or the perception of adverse impacts from the spill – further spreads to the Keys and Eastern Florida beaches, these damages will increase dramatically.

Another casualty of Deepwater Horizon: fisheries conservation and management. Although substantial areas of state and federal waters are open to anglers, the oil spill disaster has chilled participation in recreational fishing. It has cut the usual demand in Louisiana for saltwater fishing licenses by 51 percent.

Louisiana Department of Wildlife and Fisheries Secretary Robert Barham reports they are down 40,000 licenses – which is really big money for a state department that operates on self-generated funds. And it's a financial hit for the state management agency magnified by the loss of federal funds disbursed from three sportsmen-related taxes. The distribution of funds to states from the Pittman-Robertson (hunting) and the fishing-related Dingell-Johnson and Wallop-Breaux federal funds are based on each state's annual license sales. Additionally, the non-profit organizations that advocate for sound fisheries conservation see reduced membership and sponsorship revenues when anglers are kept off the water.

While unlikely, if the closures last long enough, anglers may quit making expenditures on durable equipment entirely. If all durable goods expenditures were to screech to a halt in the Gulf of Mexico, \$14 billion in revenue will be lost as a result of the Deepwater Horizon incident. This level of expenditure supports \$32.8 billion in total sales, \$26.3 billion in value

added, \$10.7 billion in income and 261,855 jobs. Fifty-thousand of those jobs are in Louisiana. While it is unlikely that all durable equipment expenditures will halt, the longer the closures persist, the more likely that anglers will reduce their expenditures on these durable goods like fishing equipment, second homes and vehicles used for saltwater fishing, etc. Others may pull their boats and end expenditures on boat maintenance and storage. Boaters will think twice about upgrading or buying a new boat this year and all these choices have negative economic consequences directly tied to the spill.

Interestingly, the Gentner study drills down to per-day expenditures and potential losses. Should the worst-case scenario occur and the entire Gulf of Mexico is closed to recreational fishing, there will be an \$8.6 million dollar loss per day in recreational fishing trip expenditures (i.e., purchases of bait and tackle, food and beverages, ice, gas, lodging and other items needed for recreational fishing). At this level, these lost expenditures will lead to an estimated 162 jobs lost per day. When the oil spill generates closures that impact the Florida Keys and the east coast of Florida, losses increase by \$1.2 million in revenue and 22 jobs per day.

Whether those potential numbers are a true reflection of the economic devastation that is actually being inflicted upon us now may be subject to debate, but there is no doubt that the impact to the recreational angling community is substantial and certainly greater than one would at first suspect. That devastation is being compounded by residual effects of the massive negative news coverage of the spill that for the past three months has been splashed across the front pages of practically every newspaper in the nation. It is often human nature and the nature of the news business to emphasize the negative, and in this case, there are lots of negative things to emphasize.

However, this blizzard of negative images of oil on our beaches and marshes could linger long after the well is capped, long after our shores are restored and long after the last tar ball is picked up. Long before that happens, the cameras will have moved on to the next disaster, leaving Gulf Coast residents to pick up the pieces as best they can. It's going to take a massive and expensive effort involving all the affected states to convince the visitors on which our economies are so heavily dependent to come back.

There will be many people who will choose other destinations for their fishing trips and family vacations rather than risk any encounter with the effects of the oil spill along the Gulf Coast. People will long remember the television and newspaper scenes of oil on our beaches and marshes. Unfortunately the financial resources it will take for tourism to overcome these negative images are far beyond the means of the impacted communities.

When described in terms of thousands of square miles and billions of dollars, the economic impact of this disaster can seem distant and cold. To truly understand the human impact requires going to the coast and talking to the victims whose lives are being shattered.

Several weeks ago, after one of President Obama's visits, I traveled "down the River," to Venice to view the damage and speak to victims, mostly my friends. I will never forget the helplessness and despair I saw in the eyes and faces of good, hard-working people.

Those eyes and faces reminded me of stark black-and-white photographs of desperate American families taken more than 70 years ago by famed photojournalist Dorothea Lange.

Two people stand out in my memory: Kenny Soulant, owner of Coastal Tackle in Marrero, Louisiana and Capt. Ryan Lambert, owner of Cajun Fishing Adventures in Buras, Louisiana.

Coastal Tackle is a small tackle store on the west bank of the Mississippi here in Metro New Orleans. Kenny sells rods and reels. Fishing lures and maps. Everything an angler needs. Even live crickets for a segment of his clientele. A few weeks ago when I walked in to visit his small tackle store, he held up his hands and gestured around to his empty shop. He told me I was looking at his life savings. I had a hard time not crying.

The story I heard from Ryan Lambert later that same day remains embedded in my memory.

Ryan is a 52-year-old straight shooter. He has three daughters (35, 25, 16) and two grandkids (17 months). Ryan has been guiding fishing trips in coastal Louisiana for 29 years. For 15 of those years, he moonlighted: fishing his clients by day and working full time by night at the Monsanto chemical plant about 15 miles upriver from here.

He was widely known for hosting his clients professionally – and finding the fish. He ultimately decided to build a little lodge so he could sleep and feed his clients in addition to carrying them to the best fishing in North America.

That first little lodge turned into two and ultimately four. Earlier this year, Ryan Lambert's lodges could "sleep, fish and feed" 40 anglers a day; 48, if he was really pressed. He employed 14 fishing guides, each of whom typically fished three clients comfortably. He employed eight support staffers who helped with administration, cooking and janitorial. If you could get on Ryan Lambert's calendar a year out, you were lucky.

His average annual sales, about \$1.3 million. First Quarter 2010, he was up 60% over last year.

When I visited Ryan a few weeks ago, he was a couple days from pulling the plug. He showed me his Microsoft Outlook. Color-coded green for trips booked and confirmed. Orange for booked and cancelled. Blue for an open day. Every day on his Outlook for the next 100 days was orange: trips booked and cancelled.

I spoke to Ryan over this past weekend. He tells me he's a one-man wrecking crew. His 14 guides are working mostly for BP in the clean up. But he still has four lodges that are clean and available for warm bodies. He still has 12 acres of land, and the grass needs mowing once a week.

He is invested – financially, emotionally – in coastal Louisiana. That investment is not performing well.

Ryan's story and Kenny's are but two of thousands of stories we are living everyday across the Gulf Coast. But we are a resilient people and we will come back. The Center for Coastal Conservation is committed to rebuilding our coast and coastal fisheries through efforts such as large-scale habitat restoration projects, and construction of fish hatcheries and research centers. But we can't do it alone. It will require massive resources—probably far beyond those that can be provided by BP.

The goodness of the American people and the greatness of this country will prevail and we will recover, but it will not be a quick or easy recovery. Ryan, Kenny and all the others dependent on recreational fishing may be able to hang on until then. Or they may not. How successful we are in our commitment to recover from this disaster will be measured by their ability to resume their lives as they once knew them.

Thank you.

Economic Impacts of Recreational Fishing Closures Resulting From the Deep Horizon Oil Spill: Preliminary Estimates

The Deep Horizon Oil Spill (DHOS) has necessitated large recreational fisheries closures in the Gulf of Mexico (GoM). These closures impact both the anglers and the business that rely on angler expenditures. This brief, preliminary examination details potential per day revenue losses across recreational fisheries dependent businesses as well as potential impacts stemming from reduced durable good purchases that might arise from this disaster.

To estimate the potential number of trips affected, a 10 year time series of total annual effort by mode and GoM state was downloaded from the National Marine Fisheries Service (NMFS 2010). Next, 10 year average per day effort was calculated by mode and state (see Appendix A). Texas is not included in the web queries, so Texas effort numbers were taken from Gentner and Steinback (2008) and include a single point estimate of annual effort instead of an average as in the other states. From the Appendix, there are 106,703 recreational fishing trips taken in the GoM every day. If East Florida is included the number of trips potentially foregone jumps to 139,043 trips each day.

Lost recreational fishing trip expenditures were calculated by taking the 2006 expenditure estimates from Gentner and Steinback (2008) and inflating those values to 2010 dollars using the consumer price index. Total expenditures were converted to economic impacts by using the US level multipliers implied by Gentner and Steinback (2008). US level multipliers were used because the DHOS impacts a large region and US multipliers are more appropriate for such a large region than state level multipliers.

Table 1 details the potential daily losses of a complete closure of the GoM to recreational fishing. For every day the entire GoM is closed, there is \$8.6 million dollars in recreational fishing trip expenditures lost. These expenditures include purchases of bait and tackle, food and beverages, ice, gas, lodging and other items needed for recreational fishing. This level of revenue supports \$20.2 million in total sales, \$10.5 million in value added, \$6.6 in personal income and 162 jobs. If the DHOS generates closures that impact the Florida Keys and the East Coast of Florida, losses increase \$1.2 million in revenue, \$2.8 million in total sales, \$1.4 million in value added, \$900,161 in income and 22 jobs per day.

Table 1. Revenues and Economic Impacts Per Day of Recreational Fishing Closure by Gulf of Mexico State.

State	Trip Expenditures Lost Per Day	Total Sales Per Day	Value Added Per Day	Income Per Day	Jobs Per Day
Alabama	\$332,931	\$781,693	\$405,951	\$254,562	6.24
Louisiana	\$786,979	\$1,847,756	\$959,582	\$601,730	14.75
Mississippi	\$75,054	\$176,219	\$91,515	\$57,386	1.41
West Florida	\$2,442,199	\$5,734,061	\$2,977,830	\$1,867,322	45.76
East Florida	\$1,177,287	\$2,764,162	\$1,435,493	\$900,161	22.06
Texas	\$4,986,660	\$11,708,225	\$6,080,350	\$3,812,834	93.44
Total	\$9,801,110	\$23,012,115	\$11,950,721	\$7,493,994	183.65

To further explore the impacts of a longer term closure, if the entire GoM were closed to recreational fishing from May through August (123 day closure), the region would lose \$1.1 billion in revenue. This level of lost revenue would support \$2.5 billion in total sales, \$1.3 billion in value added, \$811.1 million in income and 18,785 jobs. If East Florida is impacted by the closure, revenue losses increase \$144.8 million which supports \$340.0 million in total sales, \$176.6 million in value added, \$100.7 million in income and 2,713 jobs.

As of May 18th, 2010, 19% of the total area of the GoM was closed. If you take the GoM wide estimates listed above and reduce them by the actual area closed, the loss of revenue is \$229.1 million. This level of revenue loss supports \$537.8 million in total sales, \$279.3 million in value added, \$175.1 million in income and 4,292 jobs if 19% of the GoM remains closed for 4 months.

This estimate assumes that 19% of recreational effort is contained by the closed area that covers 19% of the GoM area. It is an open question whether or not the current closed area contains more or less than 19% of the daily average fishing effort. It is known that the majority of recreational fishing effort occurs relatively close to shore. However, that does not preclude that the closed area impacts less (more) trips than 19%.

That said, the closure is likely to reduce the trips taken by more than just the area closed indicates because anglers, particularly non-resident anglers, will likely avoid taking a saltwater fishing trip even if their local waters are not officially closed due to adverse feelings about encountering the oil spill. This will be particularly true as the spill spreads to other popular recreational areas on the Florida Coast. If the spill or the perception of adverse impacts from the spill further spreads to the Keys and Eastern Florida beaches, these damages will increase dramatically. For these reasons, the 19% estimates presented above represent the lower bound for business activity lost during a 4 month closure.

In addition to trip expenditure that will be lost, anglers spend vast sums of money on annual durable good purchases for fishing equipment, boats, second homes, and vehicles used for saltwater fishing. While it is unknown how the DHOS would impact how much anglers spend on these types of products, it is possible to look at the current total expenditures on these items in the GoM. Table 2 contains the estimates of these expenditures for each GoM state. These estimates were taken from Gentner and Steinback (2008) and inflated to 2010 dollars using the consumer price index.

While unlikely, if the closures last long enough, anglers may quit making expenditures on durable equipment entirely. If all durable good expenditures cease in the GoM, \$14.0 billion in revenue will be lost. This level of expenditure supports \$32.8 billion in total sales, \$26.3 billion in value added, \$10.7 billion in income and 261,855 jobs. If the reduction in durable good expenditures spill over into the Keys and East Florida the losses could increase to \$21.5 billion in lost revenue, \$50.6 billion in total sales, \$26.3 billion in value added, \$16.5 billion in income and 403,699 jobs.

Table 2. Annual Recreational Fishing Equipment and Durable Good Expenditures in the Gulf of Mexico, 2010 (thousands of dollars).

State	Expenditures	Total Sales	Value	Income	Jobs
Alabama	\$532,467	\$1,250,184	\$649,249	\$407,128	9,977
Louisiana	\$2,703,198	\$6,346,863	\$3,296,072	\$2,066,883	50,651
Mississippi	\$545,133	\$1,279,923	\$664,694	\$416,813	10,214
West Florida	\$7,761,623	\$18,223,585	\$9,463,926	\$5,934,589	145,434
East Florida	\$7,570,023	\$17,773,726	\$9,230,305	\$5,788,090	141,843
Texas	\$2,432,492	\$5,711,269	\$2,965,993	\$1,859,899	45,579
Total	\$21,544,936	\$50,585,549	\$26,270,239	\$16,473,402	403,699

These estimates are considered upper bound estimates for two reasons. First, it is likely that expenditures on boat, home, and vehicle maintenance and insurance would continue, at least for some, except in the case of very long closures. Second, because of the nature of the Marine Recreational Fisheries Statistical Survey participation estimates, non state resident expenditures on durable goods may be double counted. That is, a resident participant in Mississippi could also be a non-resident participant in Florida. As a result, that angler would be counted as a participant twice. Since the durable good expenditure totals are generated by multiplying mean expenditure per participant by the total number of participants, the double counting of a participant across two states will artificially inflate this total. It is not currently possible to determine the severity of this double counting. To combat this potential double counting, Table 2 only contains resident expenditures on durable goods.

References

Gentner, B. and S. Steinback. 2008. The Economic Contribution of Marine Angler Expenditures in the United States, 2006. U.S. Department of Commerce, NOAA Tech. Memo. NMFS F/SPO-94, 301p.

NMFS. 2010. Marine Recreational Fisheries Statistical Survey Online Data Queries. Last Accessed 5/20/2010 - <http://www.st.nmfs.noaa.gov/st1/recreational/queries/index.html>.

Appendix A. Detail of Table 1.

State	Fishing Mode	Average Trips Per Day		Average Trip Expenditures		Trip Expenditures Lost Per Day	Total sales Per Day	Value Added Per Day	Income Per Day	Jobs Per Day
		Non Residents	Residents	Non Residents	Residents					
Alabama	Charter	108	72	\$348.43	\$287.90	\$62,902	\$147,688	\$76,698	\$48,095	1.18
	Private Boat	209	2,051	\$74.78	\$48.07	\$123,320	\$289,544	\$150,367	\$94,291	2.31
	Shore	783	1,345	\$116.01	\$33.46	\$146,709	\$344,460	\$178,886	\$112,175	2.75
	Subtotal	1,099	3,468	\$539.22	\$369.43	\$332,931	\$781,693	\$405,951	\$254,562	6.24
Louisiana	Charter	218	145	\$316.99	\$261.61	\$115,683	\$271,614	\$141,056	\$88,452	2.17
	Private Boat	759	7,470	\$97.63	\$55.18	\$525,213	\$1,233,153	\$640,405	\$401,581	9.84
	Shore	964	1,656	\$47.02	\$54.30	\$146,083	\$342,989	\$178,122	\$111,696	2.74
	Subtotal	1,942	9,271	\$461.64	\$371.09	\$786,979	\$1,847,756	\$959,582	\$601,730	14.75
Mississippi	Charter	27	18	\$225.92	\$139.74	\$9,171	\$21,532	\$11,182	\$7,012	0.17
	Private Boat	163	1,601	\$23.80	\$23.50	\$44,827	\$105,250	\$54,659	\$34,275	0.84
	Shore	423	727	\$25.61	\$11.90	\$21,055	\$49,436	\$25,673	\$16,099	0.39
	Subtotal	613	2,346	\$275.33	\$175.14	\$75,054	\$176,219	\$91,515	\$57,386	1.41
West Florida	Charter	942	627	\$197.40	\$137.53	\$293,839	\$689,907	\$358,285	\$224,671	5.51
	Private Boat	2,223	21,864	\$114.57	\$29.30	\$966,866	\$2,270,113	\$1,178,922	\$739,272	18.12
	Shore	6,579	11,299	\$141.77	\$14.27	\$1,181,494	\$2,774,040	\$1,440,623	\$903,378	22.14
	Subtotal	9,743	33,790	\$453.74	\$181.10	\$2,442,199	\$5,734,061	\$2,977,830	\$1,867,322	45.76
East Florida	Charter	256	298	\$298.57	\$173.40	\$128,206	\$301,016	\$156,324	\$98,027	2.40
	Private Boat	1,520	15,358	\$100.43	\$32.25	\$647,948	\$1,521,323	\$790,058	\$495,425	12.14
	Shore	2,604	12,303	\$75.30	\$16.66	\$401,133	\$941,823	\$489,111	\$306,709	7.52
	Subtotal	4,381	27,959	\$474.29	\$222.32	\$1,177,287	\$2,764,162	\$1,435,493	\$900,161	22.06
Texas	Charter	119	1,380	\$238.02	\$208.30	\$341,047	\$800,747	\$415,846	\$260,767	6.39
	Private Boat	3,864	20,608	\$148.87	\$104.77	\$2,953,082	\$6,933,567	\$3,600,761	\$2,257,946	55.33
	Shore	5,197	13,263	\$123.13	\$69.91	\$1,692,532	\$3,973,910	\$2,063,743	\$1,294,121	31.71
	Subtotal	9,180	35,251	\$510.02	\$382.98	\$4,986,660	\$11,708,225	\$6,080,350	\$3,812,834	93.44
Total						\$9,801,110	\$23,012,115	\$11,950,721	\$7,493,994	183.65

