

July 27, 2010

Bobby L. Rush
Chairman
Subcommittee on Commerce, Trade, and Consumer Protection

The Honorable Ed Whitfield
Ranking Member

The Honorable Henry A. Waxman
Chairman

The Honorable Joe Barton
Ranking Member

And all subcommittee members

It is indeed an honor to be invited to testify before the Congressional Subcommittee on Commerce, Trade, and Consumer Protection.

Although my testimony would be only as a private citizen of the Mississippi Gulf Coast, my experiences as a lifelong resident, entrepreneur, and community representative, affords me the ability to offer a broad view of the BP oil spill's impact on Mississippi Gulf Coast tourism.

I've been in tourism related businesses since 1978, starting as a tavern owner, broadcaster, real estate broker, tourism commissioner, and now the primary investor of Gulfport's newest African-American owned hotel (The Almanett). I've seen firsthand the adverse effects of a range of disasters from Hurricane Camille's destruction of the seafood industry in 1969, the economic recession of the 80's which resulted in the shut down of the Hilton and Sheraton Hotels, and the complete destruction of the Coast as a

tourism destination by Hurricane Katrina. However, I've also been a part of the recovery and/or renewal of the Coast after each calamity, and the resilience of the Gulf Coastians in the face of insurmountable destruction is a testament to the faith that we have in our God and the faith we have in each other.

On the eve of the five-year anniversary of Hurricane Katrina, the Coast was poised to have a banner year for tourism. On April 20, the Deepwater Horizon sunk and so did our hopes to finally reestablish the Mississippi Gulf Coast as a tourist destination as opposed to a hurricane ravaged resort. The impact of the BP oil disaster on tourism has been and will be devastating.

The devastation is difficult to measure because both the actual damage and the perception of the damage cannot be readily measured. Was the Gulf Coast spared because there was a limited amount of oil to reach the shoreline? Or, was the shoreline spared because most of the oil is still at the bottom of the gulf or dispersed in large plumes? Is the perception of clean beaches better than the perception of clean seafood? In my grandson's words " Is it safe to go in the water and if not, is it safe to eat the fish?"

One can glean that the Mississippi Gulf Coast billion dollar tourism industry is indelibly tied to seafood. According to recent Harrison County surveys, the number one reason for visits to the Gulf Coast is seafood.

Ladies and Gentlemen, the coastal view is still gorgeous, the beaches are clean, the sound and the bayous are open for fishing, but is the seafood safe, and if it is safe, how does the Coast remove the perception that it is not?

Surprisingly, according to the Hotel/Motel Association and Casino Association, hotel stays over the last 90 days have been up, and casino revenues have also been up, but of course that is compared to last year when the tourism economy was at an all time low. Yet, maybe the fact that the Harrison County Tourism Commission, under my guidance as chairman of the Advertisement Committee, did well to invest \$650,000 in advertising within 30 days after the oil rig explosion. By doing so, we temporarily off set the perception, at least in the drive-in markets, that oil goo was on the Mississippi beaches.

Hotel/Motel Association stats have shown that many of the room nights are as a result of extended-stay BP employees, government agencies, media and other petroleum clean up related businesses. They also show that the average room rate is down significantly, possibly as a result of extended stay discounts. But, ladies and gentlemen, are these tourists?

Although there is a perception at times that the Gulf Coast revenue is up, is it a result of tourism or is it a result of oil recovery and if it is a result of recovery, then the Coast will not be made whole until recovery results in tourism renewal at the ratio of improvement prior to the explosion. The most serious adverse effect over the lack of tourists, not recovery workers, is that many Mom and Pop restaurants, off the boat seafood merchants, water sport venders, golf courses, charter boat sport fishermen, retail merchants, personal care businesses (hair dresser, masseuses, etc.) have all seen a decline in usual tourism related sales. Now, one can argue that if revenues are up today, then there are no losses. But tourism sales are based on future visits, and inquiries and commitments are off 40-50%. Just like after Katrina, some municipalities showed increases in their sales taxes,

but that was as a result of vast amounts of FEMA recovery money. BP is also injecting vast amounts of money into the economy, which gives the perception that all is well economically, but since the well capping there's already been significant reduction in work force revenue. Is the recovery revenue sustainable? No. Was/Is it more profitable than tourism before the explosion? No.

What happens if the well is permanently capped, the oil is cleaned off the beaches, and the marshes are no longer deluged with oil? Is the seafood safe to eat? And who can determine that it is safe to eat? And how can we here on the Coast convince the rest of the world that their perception of tainted Coast seafood is wrong? Although there has been an increase in commercial real estate rentals, there has been a decline in tourism resort property sales. As a result of a lack of tourists, equity in tourism related businesses and real estate has declined, all damaged by the lack of tourist and the perception that there will be fewer tourists.

Ironically, just as Deepwater Horizon was on an exploratory mission, the Mississippi Gulf Coast now finds itself challenged with the exploration of what it will take to recapture lost tourism gains and compete in a predatory tourism market. Just as the rig ventured into the great unknown three miles deep, the Coast could very well be three decades removed from rejuvenation.

There are too many unknowns. Consider the following:

- Can the government or any oil company guarantee that such an ecologically sensitive marine environment be safe from the potential of another accidental spill?

- Can this well or any other deep water well be capped permanently?
- How much of the oil is still in the Gulf waters?
- How much of the oil has settled to the Gulf floor and what is and will be the effect on marine life?
- What are the long-term effects of the dispersant on marine life and the long-term effect on humans after ingesting seafood, which has absorbed petroleum and dispersant molecules?
- Where are the plumes?
- Will another hurricane stir up undersea oil years from now and force it onto the mainland?
- Will the oyster beds recover?
- What effect will all of this have on marine life reproduction?
- And how many tourists will bring their children to a beach where toxic tar balls can wash up without notice?

What the Mississippi Gulf Coast tourism industry needs now is reassurance and the federal government can do that by providing the following:

- The ecological impact must be the first consideration when considering where to drill.
- The pre-existing economical impact should also be considered first, i.e., the multibillion dollar seafood and tourist industry should not be jeopardized for the sake of the multimillion dollar oil rig.
- The federal government must reassure Coastians and the world that the seafood is safe by providing an army of scientists to monitor deep water and shallow water marine life continuously.
- There must be a long-term commitment to provide HAZMAT training and support so that local coastal municipalities can respond in mass if necessary.
- Fresh water and the water table must be monitored with greater frequencies. As we speak, collected toxic oil residues and debris is being placed in landfills in Harrison County. What effects will that have on the water table?

- Air quality must be monitored with greater frequency.

Finally, all of the above is necessary because tourists must be reassured that the destination they're visiting is safe or they won't come. For tourism the perception of a safe environment is just as important as the reality.

In conclusion, just as petroleum products take a long time to biodegrade, we Coastians understand that our tourism industry may take just as long to improve, but we must know that there is a long term commitment to assist in that recovery in both real damage and perceived damage.