Mark Schexnayder

May 10, 2010 Meeting

(Inaudible)

Um, thank you guys for coming. (inaudible) Sorry for the Mother's Day e-mail. Um, Gary, Do you want to tell them what we're doing?

Um, hello. Let me introduce myself. I'm Mark Schexnayder with the Coastal Advisory Board in Orleans, St. Charles (inaudible).

To begin the mission of today's exercise is to immediately begin a sustainable dialogue between the um, okay. So we have a full (inaudible). So immediately to begin a, a sustained dialogue between the experience base of Alaska and what we're currently faced with here in Louisiana. Just as us – the people here in this room that have gone through Katrina, we are vastly wiser because of Katrina. Not that we'd want to go through it again, but we do understand things a lot better because we went through it. Um, these people up in the front here and um…

Denny Kelso, Executive Vice President.

(Inaudible)

We are transmitting on um, closed loop TV to the other – to the other um, to the other LSU's offices, and with the cumulative experience base that we have here between these Alaska constituents, we want to relay some of that information to the people that are going to be involved here in the situation in Louisiana in the oil spill. So with that, this is not – we are not going to transfer everything that these people know into your heads. All we're trying to do is we're trying to get a dialogue going that is a sustainable dialogue, and each one of you respectably know where to go for information. What they have is not completely 100% analogous to what we're faced with, but it is close enough and it is severe enough that there are some very big lessons that they learned that need to be transferred to you people that are in either the commercial sector or um, the government response. So who wants to speak?

We also thought that we'd introduce ourselves perhaps, but maybe if we can just quickly go around the room and get a sense of who's here and what your function is just quickly – maybe starting, we've got Carol.

I'm Carol Franze from Louisiana Sea Grant. I'm from the Northshore, St. Tammany Tangipahoa (inaudible).

I forgot to say where I'm from. I'm the Sea Grant agent for Plaquemines, St. Bernard, and for the shareholders and the development holders.

I'm Tommy Kent. I'm with the Ocean Conservancy based out of DC. I'm going to tape for my boss over here. So I can show this back home.

To prove we actually did some work.

We're web blogging the entire thing. If you want to send a copy.

Thanks.

I'm Chris Robbins. I'm also at Ocean Conservancy, um, based out of the Austin, Texas office. It's good to be here. Thank you.

Harlem Pierce. Um, I'm a (inaudible)distributor and local fishing processor. I'm chairman of Seafood Promotion Board for the State of Louisiana, and I'm with the Gulf Council.

Um, William McCartney with St. Bernard Parish Government.

Mike Bernard – councilman, St. Bernard government.

Gary Bauer, I'm the Ponchartrain Bluecrab Chairman of the Crab Task Force and a member of the Seafood Promotion Board.

Cullen Curole - South Central Planning and Development. We've implemented some of the Fisheries Assistance Programs after Katrina, Rita, Gustav, and Ike.

Kevin Belanger - CEO, South Central Planning and Development Commission.

Connie Talsing, charter boat business for thirty nine years, and I have – also have a marina in the Cocodrie fishing area for thirty seven years.

Jason Smith – I work with Jefferson Parish Department of Environmental Affairs.

Kevin Picoult – I'm with OCS.

Hi, I'm Nancy Woodlock with the Jefferson Parish Department of Environmental Affairs office, and a technician in the Coastal Division.

I'm Vickie Duffourc. I work for a (inaudible) who works for Jefferson Parish. And I'm also president of the Bayou Segnette Boater's Association.

I'm Debbie Carbo. I work at Counilman Chris Robert's office in (inaudible).

I'm Maurice Walker. I'm with Louisiana Sea Grant.

Julie Babin. Louisiana Sea Grant – constituent assistant, and I'm currently working at the oil spill command center and communications and whatever they tell me to do. Ha ha.

Julie Anderson, Louisiana Sea Grant fisheries specialist.

Glen Thomas, Louisiana Sea Grant and Ag Center.

Pete Gerica - Commercial fisherman – President of the Lake Ponchartrain Fisherman's Association, Vice Chair of the Seafood Promotion Market Board.

I'm Mark Jones. I was the U.S. Navy Supervisor – representative for Exxon Valdez.

I'm Denny Kelso. I'm with Ocean Conservancy. And um, in uh, a previous career, I was the Alaska Commissioner of Environmental Conservation. And I was in that role when the Exxon Valdez ran aground, and I spent two years working on Exxon Valdez both on field and in um, making some policy changes to reduce the risks that we may have the same experience in the future. Um, I confessed to my colleagues earlier today. One of the other jobs I had at that same time when I was Commissioner of Environmental Conservation, see I was in charge of all the seafood – sanitation seafood safety, so I did all the – (inaudible) of all the seafood inspections. And I was the guy who had the honor of requesting that the seafood – that the salmon season be completely shut down, and in my career I had to do it twice. Because this wasn't the only oil spill I was involved with. Um, and the good news now is that I had tremendous support from fishermen who did not want any contaminated product to show up anywhere in the market. But um, that's – so that's how I met these guys.

Hello, I'm Joe Banta. I'm an employee of the Prince William Sound Regional Citizen Advisory Council, which was a private non-profit formed after the Exxon Valdez oil spill. Um, with oil spill money funded annually with a "no strings attached" independence contract – independence clause specifically in our contract, also required by the Oil Pollution Act of 1990. And during Exxon, I was actually working for Bering Sea Fisherman's Association, a small boat fisherman's group, and went out with wildlife rescue and recovery for a few weeks, and I came back and worked on some of the laws and things that Denny did and many of us did, and um, implementation and then within a year, I started working for Prince William Sound RCAC and I've been there ever since, and you'll hear more about it when I speak, but essentially we're an anti-complacency organization with the industry has funded but we're entirely independent of them, so give them advice and the agency's advice.

And I'm Torie Baker. I'm with Alaska Sea Grant. And I'm the Sea Grant agent in Prince William Sound now. Um, during the oil spill I was a young fisherman who in Alaska I just bought into fisheries up there. I spent all my life savings, and borrowed, hopefully the first and last time from my parents to buy the other half of that permit. And I remember when it came down, my fishing partners at the time said Torie, you'd better go to Valdez and start waiting tables. I said okay. That probably should've been what I wound up doing, but I wound up 128 days out of the spill on a boat. I helped get onto a (inaudible) there. Thereafter, I was more heavily involved with fishing. I ran my own operation for the last eighteen years. Um, I fished the (inaudible), and I can say my other blessed life is to be in and amongst this colleague and one of the Sea Grant folks. Um, I worked on a lot of different angles of the spill as a stakeholder, as a fisherman, um, I also was heavily involved in some of the post-spill research initiatives for local fishermen and stakeholders that said that there were some really bleeding questions here, and we don't have the answers to them, we were able to push very much from the bottom and get a lot of that settlement money redirected towards restoration research – what you guys are looking down the

barrel at. Um, understanding what went on in the water column and what are the things that we need to bring that's in the legal case that's down the road towards you, but more importantly what is wrong with our fisheries, acutely felt five years after (inaudible). We still have not been subsequently respondent in herring recovering fisheries. (Inaudible) So that's a little bit of who we are.

Let me um, what he had immediately prior to this meeting is we had a meeting in Venice where we met with similar constituents that are here except everybody was from Plaquemines Parish. And based on the things that were said at that previous meeting at eleven o'clock this morning, um, let me start the dialogue here, and with the central theme that was discussed down in Venice, which was the, the large payments that Exxon was required to make – immediate payments that were based on the um, industry data provided to them. Um, in essence, the industries were paid one year's salary immediately upon request, which is a far cry from what's going on today in Louisiana, and any – Mark, I think you were the one who actually um, spearheaded that discussion, so if you would want to elaborate to the people here, how just those two aspects are um, significantly different from what we see in Louisiana at present. And what happened in the response of Exxon to the request of the Alaskan fishermen.

Before I start, you said one word – required to pay. And that's a question I have.

Well we brought Mark down earlier a week or two ago to work with some state officials early on. Mark's worked for the sea board for a long time. Um, I trust his judgment that – but the word required, I didn't hear that before.

Well what I'll say about that is, um, I'm going to defer to Denny. Because, because in that respect, I was just a watcher. Denny was the leader to of that pack, okay. One of the things that I will say, however, is I talked to (inaudible) and other things about this, we got to put in your mind is although this is a devastating circumstance; this was not an act of God, okay? This was not a natural event. This was the result of a human error that could have been prevented. And there are recoverable parties. Keep that in mind when you go forward. Okay? And so in terms of that, the folks who made this mess are not just morally but legally alone for it. And so you have to kind of think in a different sort of way than a natural event like a hurricane. Um, I mean a hurricane is – you have to bootstrap, and you know that ultimately – who's going to pay? It's us. That's different here. So in terms of what I'll say about Exxon, where I always stand, where I arrived before today, the um, at that point, the state was already up and operating at – pretty close to full speed. The congressional delegation in Washington D.C. was working in concert with the folks at the state. And from what I can see, like I said Denny's going to be able to do a much better job at this than me, alright? They had already gotten Exxon's eyes opened up, their feet pointed in the right direction, and understanding that – pull out the checkbook, because it's going to cost you big, and you don't want to argue. So with that, I'm going to turn it over to Denny.

Well thank you. Um, I'm going to also see if we can do a tag team here, he can give you the most accurate information. I'm going to say something I think that applies to all of us here. And that is – we don't report to tell you how to do your business here. We don't know your territory - we will offer our perspective to what we saw um, in the Exxon Valdez oil spill, but also what we've seen since. And I think um, it may be useful to you, and let me say one other thing. This is not just a one shot deal. We can be

helpful to you going forward, we are available. We'll come back. We will do whatever we need to do, because this is, this is such a serious problem for affected communities, affected industries, affected individuals, that it really needs to be a team effort to make it survivable. So thank you guys. I think your perspective is correct, Mark. Um, one of the things that happened very early on was that we had strong support and really unified approach. And I'm just going to take a really short digression. Um, probably the smartest thing that we did as a state government during the spill was on the first day – maybe the first hour, we invited fishermen and local officials just to move in with us so that literally our incident command center in the town of Valdez had fishermen at the next desk. Not at the next room – the next desk. And the reason for that is we did not want there to be any question that any information we had – they had. Any opportunity to go see what was really happening in the field, fishermen would be with us, the mayor of the - mayors of the towns could be with us. I mean that was just the operating rule from the very beginning. So when the governor and professional delegation said we want to make sure that people are not just left out here, um, that we had a lot of leverage. We were really speaking together. Now in that early going, we also teamed up and actually put a response together. And you were probably there by the time that the (inaudible) cleaned up the oil.

They did a terrific job. Um, you know, it was one of those things that you thought that fishermen – no surprise. They're smart, they're innovative, and they know the local waters better than anyone else. (inaudible).

That's true. And so we really used that, and that was where – we actually did pick up oil – a significant amount of oil. But the most significant thing we did was to demonstrate that you could do things effectively and that put a lot of pressure on Exxon to improve its spill response. The other thing that happened pretty quickly was that um, we heard Exxon to use local people – the governor did this too – use local expertise. Use local boats. Don't bring in vessels from um, Seattle if you have capacity in – right there in Prince William Sound but also in Alaska, and so there were contracts with local vessels to do the spill response work. And um, and at about the same time, Exxon began to want to cut um, compensation deals with fishermen and processors. Now that can be risky territory because how much and what you sign off are – they're difficult to tell, especially under the pressure of feeling as if your way of life is coming to an end, and so I think that was a really hard choice for the fishermen. But Torie – you wanted to speak?

Yeah, you're exactly right. What – I mean we were talking with the whole town of Venice today is that the package that was put together to take to Exxon was pushed from this group – this very unified group that Denny was talking about - that took the independent records from the state on land records as you call them here, I guess they were trip tickets. And really just – it doesn't have to be – it doesn't have to be rocket science. It doesn't have to be exact. But it's an independent source of data in which you build your case and these are the upcoming impacts. This is the first fishery that's going to be closed. Right away it was the herring fisheries for us. As you guys are having your outmigration of shrimp, we were having our return spawn of herring, right at day – by day ten there were hundreds of miles of spawn of herring that were going inside this oil. So we had a very graphic (inaudible). But I think it was independent look of bringing in independent data to begin to establish what the economic impacts are going to be, and get that data, build it up, divide it by the number of permits you have in X area or

whatnot. But make a – make a case. Make them address the issue as it really is. And that was one of the biggest ways that I think we got immediate attention, and got some results out of it.

Torie, did you have to – when you were doing that, did you have to – how did you put that information together so that it was in a form that would be persuasive?

Well, I'm not exactly sure because I was out on the spill, and I had to come back in, in order to sign my paperwork and there were others that were - perhaps Joe (inaudible).

Well I was out on the spill earlier too. I think the group – the state and the fishermen – all working together says, this is how it is. I recall bringing my fish tickets, sitting down with the Exxon representatives and saying this is what my catch record was last year, this is what I believe I'll catch next year, and I was compensated for my (inaudible) that 1989 season, for that full herring season.

Can I make a comment quickly? It's a little different here in Louisiana that closures have been back and forth. But in our relationship with the past storms, we've had LSU – Kathy and LSU itself that have done a great job pulling together that information you're talking about. They can give a ticket for - they can say we can close this time or (inaudible). I believe we've got a vehicle and a mechanism right now in place to get that done to (inaudible) and Mark can help us with that. But I think what's easiest is what you did and – bringing in trip tickets, because there was a period of time they could fish, but I think it will be more difficult than we think to pull that together.

I think that would be good because I think you can make reasonable materials and reasonable cases as this thing unfolds, and does and does not ship. You've got a great (inaudible)

Does that involve a lot of release of different liability to you on that? Or was that just like a tender, and we'll figure out at the end whether we owe more or not?

They did some release liability agreements. Uh, and it resulted in sort of a czar situation because some of their agreements were with um, seafood processors, and they were for substantial amounts of money. When the claims were adjudicated later, Exxon had in its file these agreements that had signed over the rights um, to compensation.

With processors.

With processors. So here is the ironic – totally legal, but an ironic, weird sort of a thing. So when it came time to make the claims based on the amount of jury verdict, um, awarded, Exxon was one of the claims, because they held these signed-over rights from the processors. So Exxon had claimed against its own liability. Um, there is something important that you might want to know about here um, and at some point, probably need to have an attorney to really look at how this fits together, but one thing that did not exist in the way it does now, at the time of the Exxon Valdez, was the Oil Pollution Act of 1990. And in the Oil Pollution act of 1990 – it'll take me just a second to make sure I'm giving you exactly the right information. It is the Oil Spill Liability Trust Fund. Now it should be the case that uh, the spiller is responsible for all the damages caused. Um, the liability trust fund is supposed to cover damages beyond what the spiller either can or is required to pay. And there is a list of the damages, and I could

even give you the summary of it. Um, but the long and short of it is that above what the spiller – and what I'm going to talk about is that BP is the spiller, and I realize I'm talking about another company, but for our purposes, there's a spiller, and that spiller aught to be liable for your damages. Now beyond that then the liability trust fund could come into play. And it would be really important to make your record early for that. Part of the reason for that is in this instance, the um, the law in the way of compromises that go into getting an act of congress, sets a liability limit. And for a – for an offshore facility like this, it appears to be 75 million dollars. Now that doesn't take long to go through 75 million. So that's why I say it would probably be a wise thing to assemble information as brutally as possible so you could make a claim against the funds– before the funds are gone. And there were certainly – there was a promise to want to undo that limitation in their proposals to make it much higher, but that didn't happen, so.

Can I make some comments on that? I have a few questions.

Sure. Yes. Am I being consistent with – do you understand?

Yes. Exactly right. We met with BP a couple weeks ago as chairman of the seafood board, and we came up with different programs we wanted to do with the fishermen. And in our discussion with BP, they mentioned the OPA and what we could do with that. Um, they actually wanted us to go and try to get more funding back. We wanted to, but Mark's help – Mark's guidance – he went to BP, and that always told Mike (inaudible) you have to be at home and you have to be with us with the people at BP, and we had eight or ten demands – not demands - discussions. First discussion point of course was brand new, and what we needed to keep our brand in Louisiana knowing that in our discussion with Alaskan people that it took them three to five years and fifteen to twenty million dollars to maintain that brand. So we talked about that to them. They gave us two million dollars to begin the branding of the down payment, and they told us with the down payment – you get a brand, you – at that time, he brought the OPA up there, and he says, try to go after the OPA for some more of that branding money. And so I'm sure he's thinking about that 75 billion in this discussion. And the two million was only because they thought they'd have it capped by then – a week ago – and it hasn't happened yet. I told them that day that we'd be back next week. So he's planning on – they were planning on us working on the OPA in that particular event. Since that time, we've been to Washington and we've met with about thirteen congressional officers and we discussed exactly that. So their thought process was figuring out how all that's going to work and play to make it happen. So we're trying to get that all situated and get that done through the promotional board right now, and I've got two of my board members too so you'll know what we're up to (inaudible). Secondly, you said the fishermen were basically paid for one year's worth of harvest records. Um, that's fine. What happened with distributors and processors? What did they get? Or did they have to settle for (inaudible). There's an end – all of our programs – Katrina, Rita, all that – the distributors basically – it was like a high (inaudible), so to speak, aside from the processors, and (inaudible) other ways. We didn't get a lot out of any supplemental funds that we got out of Washington. So I'm trying to figure out a way to weld those guys into the program as well because they're getting hurt very dramatically. And a lot of our problems – and I'm talking to my friend who filed a complaint, he said everybody during Katrina and Rita begged, borrowed, and stole everything they could, like you're talking about your spill. They're still paying those heavy notes back. So they've got –

they've got a double whammy here that's affecting them, and we're going to get SPA I think is going to defer, and I think LRA's going to defer, we're getting some of the SPA um, interest, maybe with legislation that Landrieu's got right now, fifteen thousand of SPA interest might be cut off– we're trying to get that done. We're trying to get a given if we can. But still in all of that, distributors and processors have got to figure out how we're going to help those guys. I can clearly see with the trip ticket program because we've used it before. It will work, and I can clearly see where LSU's place is in the program, and I can clearly see that branding is a big part of what we're going to do, and we're going to need a lot more money than the two million to make this work. But how do we tie in the processors and distributors that are dependent upon all this, and then the fishermen dependent upon it to alive too? And it's a big problem. Any thoughts?

Well I think it is our collective – correct me if I'm wrong, is that other than this down-the-road settlement and deals that were struck through the processors to Exxon, because I understood there was no compensation for our processors, nor – all of our distributors are outside and in the (inaudible) so we're basically an exporting economy up there. So they're not really close to our chain and obviously part of – we jumped ship probably once we went off the radar, but um, but yeah. No, we didn't' have anything there for the processors, and I could see that – that situation here based on our conversations during Venice, and also to the marine operator or the marine operator and owner down there – we were talking to folks down there that those are also seemingly another very frontline business down here that needs to work on some organizing – to tap into their celebrity folks, even if it's just telling the National Association that we're going to have our numbers and our spreadsheets out here pretty darn fast. And we've recovered from this point from Katrina, and we're poised and ready. And already we're getting shut down – our bigger boats aren't coming to visit (inaudible). But I think that there's – I mean this is – you guys are twenty years past us, and the first thing that we did in Cordova – they ordered ten fax machines. You guys have spreadsheets, you have internet, you have cell phones, you have a lot of tools, basic, basic tools that we didn't even have. So when I was talking to this marina operator down in Venice just now, he's having his folks put together those scenarios of what is going to be these impacts. What if we put in ourselves since Katrina that we were shown these beautiful trend upwards – a returning business, expanding facilities - I mean I think you've got some real strong people that can really augment that case. And I believe they should be right behind the fishermen.

Something else too for the hiring charter boat guys – they have got to take on a data report system. It's the only thing that's going to save your life in storms like this. I know the interior boats are fighting a little bit – the offshore boats are ready for it. I know the gulf council – we're going to make it by January to have – I think you have to have for more reasons than one.

We've been giving reports for years…

Yeah, I know.

…but they don't ask us for what – what we catch. All they have to do is add in how many speckled trout you catch, how many redfish, what your offshore catches, we know what it is because we keep track of them, but that isn't on the report.

We're gonna try to get that changed.

But we do…

We need to get that done…

I've been taking reports for years.

…because that's going to save your life in this time.

Okay, but that – you've got that kind of documentation to the extent that you could change that into dollars and cents, or trend data, or whatnot. It's the scenarios of your future based on your past and based on what's coming down the road, and think – you know, we can't overemphasize the documentation part of this. I mean, I think it's a – I want to hear more from you guys, but you folks who are in the municipality and parish governments, you guys did Katrina and totally understand what the incident commands are, and how much it really impacted your government legislations, but again some of our lessons learned in material that we wouldn't be able to be with you - in our municipality experiences up there, is that our spill response took us away from our homes. Our men folk were literally out there. I was out there for a hundred plus days. We didn't come back, and it fell upon the women and the folks back at home to run these communities, and so it immediately began to reorganize and put a separate oil spill band or group side by side with the municipalities, because municipalities still have their run, but you still have to be respondent, and so from day one they began to document it and keep track of what was that payroll? Who was on that? You've got to figure out ways to identify and separate – as you do your fishing business from your personal business, perhaps. You've got to be able to add the municipal level – you know, at a lot of different ways. Separate it out – and just start documenting.

Document, document, document – because that's how the municipal governments will be compensated. Without that, you can't be compensated. But that's not your business to respond to oil spills. It's because of a responsible party having an incident that you are doing that and your costs, the government, does not have to bear that burden. It's their burden – you document it, run it to them, you get compensated. And it's…

One other comment too – we have in the audience South Central Planning. South Central Planning during the Katrina problems – was one of our people used to jumpstart the grant program that was coming out of the state Grant and Loan program – state, because government moves at the speed of government. We can't do that. We've got to move at the speed of business. These guys are already set up with ability to understand trip tickets. They've got a connection with wildlife. They've got um, the ability to work with LSU to get the numbers that they need to get it done. And we can easily formulate a program pretty quickly though Kevin's operation in Houma. That's already been done. So the legwork for that is there. What we have to do is to figure out where that requirement came from. Who required Exxon to do it? How do we require BP to do that right now, because I'm afraid we're going to have to go talk to them about that right away.

But – let me throw in – I think with – you have to understand that what we're doing here is personal approaches, and what ya'll did up there was industry approaches. And you worked from the industry, and you came to – to Exxon as an industry, and so it wasn't – it wasn't your W2 form that you went to Exxon with, it was your stake in the industry. Correct? Is that correct?

I think that's a pretty good assessment of what we're talking about.

And, and your– your piece of the pie in that industry is what you required – requested and required from Exxon. And that's not the way we're doing it. And if we – if we went about approaching the spiller, as you call it, then we could approach as an industry and as a participant in that industry you are entitled to a piece of that pie now - not twenty years from now.

(Inaudible)

I've got a question – you talked about um, leverage. Um, in order to do that, you had a good state and local fishermen coalition. But what leverage did you use? Was it, was it just pure political pressure, or was it "Hey, you're gonna do business with us at some other point, you need to start taking care of something else now." Um, so…

That's a really good question. But we can each give our perspective.

Yeah um, let me talk about – he's gonna be able to talk about leverage. I'm just gonna be able to talk about what I saw. Every night, and I was sure the same thing happens here. Every night, the on scene that night - the title was called the on-scene commander, but now they call him the on-scene quarter. There was a need where they were representatives of the people that were key to making decisions within the spill response. Somebody from the state, somebody from the (inaudible) because most of the equipment worked for me, um, that …

Because sometimes that was the only equipment that worked.

Yeah, sometimes that was – well, (inaudible) um, but um, the um, but what I could see – and I was very much a third party observer. I was probably the lowest paid guy working on the oil spill, because I was just a Navy Commander, you know, just drawing a paycheck. And um, anyway, the representatives from the state went into that meeting – you could tell, every night you knew what their agenda was. You knew what they had been sent there to accomplish. They went in, and tonight, you know, the goal is to do this, this, this, and this. They went in, laid it on the table, arrived to the fore, and it got done. But they were very clear about it. It wasn't often that people had to yell and scream - occasionally, but not often. And I was just – it was a pretty squared away circumstance. But the only key was – there was only one voice coming from the state. And it came from him – he was there some of the time. Sometimes it was his representative. But they walked in, and that was the state of Alaska's position, and I don't care who you were – you just sat up and listened, it's the major player at the table, and it's – I mean you had to live with them. It's their state.

Um, I think that's – I think that's accurate. Can I just take that and the way we created the leverage was partly – and I realize not all this will transfer to Louisiana, but the governor said – I had a real advantage.

The governor said, you just do the right thing, and we're going to send the bill to Exxon. Now when he said that, it meant that his attorney general was going to carry it out. And um, so very early on it was clear that we had the state department of law going to bat. It's exactly what we were just talking about. There was another dimension too – and I don't know how I'd recommend this, but um, these guys can say – and that is we created leverage through the press. We just pushed them hard. And we knew that if it got buried far down – we were – we had the press's attention for every day until we hit Tiananmen Square. Every day it was on the front page. And that didn't happen by – by accident. It happened because that was the only way we could get the response. And it was the only way that there could be a fair treatment for the communities of people that were hurt by the spill. Um, so we consciously pursued that, and it worked well, and the other thing is that we had people whose lives um, were directly affected, and the press, um, that resonated from the press. It wasn't just a bunch of bureaucrats talking about what an impact this was, and this was people whose co payments depended on what happened to them, and whose – who would have to leave Cordova, or leave Alaska if they couldn't make the co payment. So that gave us the opportunity for us to tell some stories. And by telling those stories we increase the leverage. But it also was great that the governor and the attorney general were just saying, do it. Make them – they weren't being vindictive – he wasn't saying, make them pay. Just saying, make people whole. Just do what you need to do. And that was hugely – was that responsive?

I think we're doing some of those things, but I think probably from a state level – I don't know that we're all one voice yet – and I think that if we could get that done, and we could have um, you know, stories that come every day from different areas about what these people are going through, that – I think we could start playing into that more.

One of the ways that we got those stories from other areas and we impressed that upon our state representatives, state legislators, federal legislators, was we brought them to the scene, and they saw what it was like. They saw the impacts – even President Bush and his – Quail, Bush's vice president went out and saw, and when people see the impacts, which you haven't had a lot of them yet, but you probably will, that is another way to bring the message home, and like Denny said, the message was out there and it was pushed strongly, but really in a unified fashion and another thing is we had a very small state. Half a million or so people back then, and that – when – there were consent claims certainly over Alaska.

Yeah. I made a couple observations – um, one question first. When Valdez fishermen were paid, you said they were paid one year salary upon request. Was there gross in that? Because I've been hearing two things. That one or the other, you know? Gross. They said that puts a little money in the fishermen's pocket. Okay?

Well that's a percentage of the industry. As a percentage – just like you do in the tier system with loans and grants and stuff. As, you know, as you – whatever degree you participated in that industry, percentage wise…

Is that was they did in Alaska is what you're saying?

(inaudible)

They did it both ways. But from what I understand now, some of the people have been asking for their W2s or something to…

I was approached – well I wasn't approached, I (inaudible)

That opened my eyes. I go, go to Cordova and tell them that they have to show their W2. Bring a really big bodyguard. No, bring half dozen really big bodyguards.

Yeah. But – well the point I'm making though, if we use the trip ticket system, and you want to approach it as – what area of the state is open and then closed, and pay accordingly if it's two months out of the year, if you pay a twelve month – that is never gonna work because what I'm seeing already on the eastern end of the state, the only waters open over there are Lake Ponchartrain and Lake Borne. They got people falling over each other trying to catch crabs. Guys that were bringing in a thousand pounds of crabs were bringing in five hundred pounds of crabs. If you're cutting up the pie so small, nobody's going to be making any money. And then in turn, I don't have anything to produce – that's my personal perspective, but the fishermen – they can travel as far as they want. As the state bottom waters shrink, what they can fish, they're not going to make a living from this point forward, it should not be considered what's open, what's closed, when it's reopening – it's from this point forward. If you gonna have more trouble – these people are going to be hurt in ways they don't even know. That's what they're catching right now. What I see in the near future is, if it stays closed just until – if the oil keeps flowing another week, another month, or, God forbid, until the hurricane season, and we get a hurricane, a little storm died into our estuary, they're gonna close the whole state. They have to regardless. Leaving them closed, you're gonna have the chemical dispersant, which is fast approaching half a million gallons, mixed with the oil - so you've got an immediate problem, and then long range, nobody can tell us in this room how – what affect it's having on the long run – of all the species. So I don't' know how you approach BP with this, but I mean, it's um, I – maybe I'm pessimistic, but I'm not too happy with what I see right now.

But Gary…

And another thing before we get off of it – that's one fault that I have with our response in Louisiana is I get so much peace-filled information, and everybody I talk to – there's about four of us talk every morning on the phone and through emails – we get – somebody comes to a meeting in Venice, somebody comes to a meeting in St. Tammany, and there's no central website. But all – what you said – we have so much more technology that we can use. We need to set up a central website just for the commercial fishing industry. I mean, how do we talk to everybody?

Right now, we're holding conference calls; we're inviting people to the conference calls.

Yeah, but that's twenty, thirty people. You got how many people in the fishing industry? I think the fishermen should be in on that, and help make some of the decisions that are going to affect them. I mean you know, I want to be in on the decisions that are going to affect me. And um, I fished for fifteen years. And I would not want to be cut out – I mean, I've been a processor for ten or twelve years, and um, like these people are saying. They went as one voice to face Exxon every evening. I don't know one

person I could talk to except you that said you even talked to BP. And you know, yeah, it's ridiculous. We're two weeks into it.

We're trying to educate. That's our goal. You know, and yes, conference – we've had seventy, eighty people in on these calls. We changed our system so that it could work and we're doing three or four conference calls a week, and I invite anybody in this room that could be in on those calls. We're trying to upgrade and let everybody know what's happening up to the minute with each fishery. We're going to do shrimp, crabs, crawfish, catfish – we'll get a restaurant (inaudible). We'll get a restaurant (inaudible).

I know. I just want to develop a better website – a centralized website – that anybody that's interested could find out what's happening. And in which direction (inaudible)

Yeah, Sea Grant has one. All the gulf programs are cooperating on one website, and it links to all the latest maps, um, it's got a lot of information.

Thank you.

It's as central as you could get.

It's pretty central.

Let me say one thing because I've got to go – I've got to be in Baton Rouge at five o'clock. We have these conference calls. We're doing those kinds of things that we – we aren't really speaking with one voice enough yet. As – but we did after Katrina we knew we had some strength in the board to sit down and have people listen. We got seventeen organizations after Katrina and went to Washington. We got a lot of monies pushed back, and we had about a hundred thirty million, which wasn't enough for the fishermen – thank God we stepped down. In discussion with BP, we mentioned the Back of the Dock program, that night, we told them we wanted a hundred million dollar seed money to put in and start it. And BP said no, we really want to deal with the fishermen independently. At that time, I didn't know how you guys settled with Exxon completely. Mark was telling us that they were going to pay ya'll, but I think right now we need to go back to BP and say, hey wait, this is going to change. We need to get our fishermen covered one way or another. And what Gary's saying is important. I mean, we've got to figure out how that's going to be covered, and what you said is one years worth of fishing that they did openly. And I like that. Whatever it was that that fisherman could get, they should get no matter what, and keep it going. And processors and distributors got to figure out how to make that work. Because a lot of these processors and distributors aren't showing violent lines because they're still paying – I know some of them are paying a quarter million dollars of interest a year, you know, based on old debt, you know so it's going to be different - I'm – and you know, you know how to find me, because I've got to go to Baton Rouge, but anything I can do, just let me know.

One thing that – before you leave, because I want you to carry this with you to Baton Rouge - one thing that I think that we talked about in Venice was that, you know, we are talking about prevention right now. Some component has to be working exclusively on, on response. Not cleanup response – on getting the financial response that we need to make us as whole as possible. Because everybody's

worried about how much boom – and it's all necessary to do and where's the spill going, and stuff like that, and we're – what you told me and what we talked about on the way back is that you have to have a – a section of the team that is working on financial response of the spiller. And well in advance of - so.

I'll leave you with one thing. We have to have zero tolerance on the project working with the processors so you can't have any exceptions. You know anybody that's playing games – you get that sucker out the water. We don't want anybody to say that this state didn't do the right thing for our domestic product. Because our brand is going to be the toughest thing for us to protect, and the (inaudible) closures didn't bother me at first, because I thought we needed to have it. Now it's coming - I don't know where we are sometimes with these closures. We have to – in order to protect that brand, we've got to be very confident that nothing is getting out of the state or getting into our restaurants that's coming out of any of these areas at all – so that's important.

Harlem.

Yes.

What I would suggest with the conference calls is that by the next day ya'll have a summary to be out (inaudible), because 90% of the industry does not know you're having conference calls.

We started that today. Um, Ashley's doing a summary of what we talk about on the calls. She did that today so we can get that worked out.

Yeah, and you can have a link on there, you know, so it can link to the website – the Gulf Sea Grant website.

Thank you. We appreciate you having us some down.

I have a little bit of a number of questions, but I'll try to hold it all into one.

(inaudible)

Go ahead.

Could we have just a minute to respond?

Sure.

But don't lose your train of thought.

I'm not.

Okay.

Don't worry.

Because I want to follow too, but you go ahead.

Okay well, um, my organization for the last twenty years has been in that emergency operation center - where Julie is from the Advisory program. And annual drills every year where the oil industry spends hundreds of thousands of dollars on drills required by the Alaska Department of Environmental Conservation. There are a number of recording documents, essentially coming out of the National Contingency Plan – the National Response Plan. We're all based on the National Agency Incident Management System built on the fire response system that came out of California that the forms are clear to the incident action plan – every-twelve-hour plan for the twelve-hour shift cycles – MCIS has critical details about what's going on, what resources are being used, what's being required, whether, um, their situation reports that are put out that report on the amount of injured wildlife, the amount of (inaudible) the amount of oil recovered – the amount of oil recovery systems, the amount of vessels. All this stuff that you folks deserve and the as local governments are part of that local response system. And you – in some way, will be able to insert – or assert your right to get into that system and get that information because it's your information as local government. Local government – when you look at these plans, the national plans, is part of the process. When we have our spill response after Exxon, there was a major component from local governments and land owners called a Multi Agency Coordinating Group. It's now called the Multi Agency Coordinating Entity – they changed the name of that, but it's still the same process where you bring the land owners, being they private, native groups for us, or burrows, or the park system, so all the governments –local, federal, and state – to help plan for and get information about the response along their property, on their lands, and on their shores. And um, that was a critical way also of getting everyone the same information – all of the governments together so that they were in the loop. So that's kind of two avenues for that – and Denny, I think you participated in that a lot.

I did actually. Um, two quick points – again, some slack cut for me here.

No problem.

One of them is, you raised such an important issue overall, and that is lack of information is your enemy. It really will hurt you.

That's what happened in Katrina. I got so tired of being edited out of meetings that I should've been at, or information – finding our secondhand, or three weeks after the fact. Not in this day and age – that is not necessary. And that's what happened like that. And nothing – I'm – I didn't know about the website, Glenn, and I apologize. Um, the Sea Grant, um, site that has everything together – it's part of that.

Gulf Sea Grant.org.

Yeah, that might be my inability to operate a computer. Ha ha.

Just think how bad it is with the fishermen.

Yes.

Hey – but anyhow. I'm sorry.

Well, you raise another point. Um, you raised another point that I don't know what to do with, but I'll – I want to highlight it. And the analogy I want to use is Torie's herring fishery. What we don't know about the spill is what the long term affects are going to be because not all the spill is coming to shore at this point. Um, dispersants are being applied. At that point, we don't really know what the implications of that are, and we don't know whether there's going to be more mortality of juvenile fish and shellfish that are going to affect your ability to harvest, or the ability to process, and so the problem of demonstrating the cause of damage, and it's really a challenge. And the reason I mention the herring fishery is because that fishery never recovered, um, from its inundation. and there are other factors – there are other variables of course that make it hard to figure it out. But I think the point you raised – and there are like three issues here. One is every time you have in some areas, it depends on how much oil comes to shore, every time you have a tide change. You lift it up, and you oil somewhere else. Even after the first. Even if you don't have more coming ashore from the original, you can still get an additional oiling. If you have a hurricane, or if you have a flood, it picks it up, it moves it, it changes it, but it can cause additional damage, and that is really hard to document. Most places don't have a great baseline anyway. You probably have a better science baseline than we did in Price William Sound. But it is so important in your list of things to do. And um, I'm sorry – this does sound like I'm telling you what to do, and I know better than that. But it is so important to press for science assessments, and you shouldn't have to pay for that. That should be done by the government and by industry, but having that baseline where- even in the areas that you haven't been oil bit, where you – here you might be – it is so important. Because then you have a way of evaluating the damage. You don't have anything, then it's just - well what did it look like before? And now how does it look? And when you're looking at the risk of long term damage – especially the damage that's out of sight, because it's hitting commercially important species or species that your clients go out to catch, and you just can't see it because it's not onshore. It is real – I think it's going to be one of the most difficult problems in this spill. You agree?

I do. And I think that's one of the things that everyone right now – we're recently facing establishment of a large gold mine up in Alaska, and people are trotting around saying, well we need this baseline data, and we need this baseline data. And the science – we were in this game for twenty years. The baseline data changes – science changes. You can't just be you know, complacent and say, well, we've got this bit, we've got this bit. You have to be ever rigid. You have to be working with your state folks, with your university folks. But then unlike in, in 1989, we didn't have a lot of independent NPO Environmental groups that had some research capabilities, and I would ask you to consider working with those folks as well. Because what you're going to have here with this offshore scenario, you're gonna have a lot of federal scientists, and they can't make expert opinions. You're going to have this filler hiring independent experts who in court are going to be identified as expert witnesses. So you're going to have some (inaudible) I think again, there's a lot of things you're going to have to keep juggling in the air. You're going to have to assign people to start looking down the road a little bit here. One of the things is on balancing your science. What's going to be a (inaudible), how they're going set up here. Being for or against – essentially looking at this baseline data.

Just to follow quickly on that, but the state of Alaska worked with the federal government, universities identified 63 or so studies the very first year, but they implemented these 63 studies together – they

planned them together, they worked together, and they had unified science, and it was funded – I think Exxon gave the money for those studies.

They agreed to share the data. And that – that set up our whole (inaudible)

You don't do the studies, you don't get the information. Because it's – it's held by someone else.

Were those studies proprietary to Exxon?

No, they were – they were for the government.

So it was public records.

Yes.

We have a much complex situation. In Prince Sound, you had to contain it basically because of the geography. We have a gulf, which is, like a hundred times bigger than the issue you had - you had to deal with. So the kind of questions that come to my mind, were populations, and you know, how far did the economic gain, um, be reparable – you know, compensated. So the questions I have are three fold. Basically, what was the population that you had to contend with from economic development standpoint, um, what were the amounts of reparations and costs associated with response, and ultimately, who were those individuals who were compensated at the end? Um, can you answer that?

I can catch a little bit on the size of the ultimate class actions suit was thirty thousand – thirty thousand claims in the class action suit, which didn't include individual fishermen. Um, individual communities, Hatchery systems, native appropriations, um, processors, but they alluded to earlier that they (inaudible)

Was it restaurants as well? Restaurants being part of that…

Restaurants might've been part of the small businesses in the immediate spill – what we termed the spill, it impacted the area, because what happened to ours was that yes, it was at Prince William Sound, but it jetted out through a series of storms about eleven, twelve hundred miles out the Aleutian Chain – past Kodiak, on out. So again, that's a highly – that's not populated at all (inaudible).

It bears would file suits?

It bears the (inaudible).

So, as compared to our economic impact, I mean we're talking probably upwards of five hundred thousand businesses if you take the total, um, impacts around just the gulf coast, and what happens if it comes out onto the east coast, it's going to be huge. And the difference is that Exxon had much deeper pockets than BP ever could. Okay? So where – and the 75 million dollar cap – is that just for the um, prevention of the government's cap? Or is that the um, cap of the individual companies liability?

I'll give an answer that you shouldn't take to the bank, but I'll give you an answer that I believe is true. And that is the many of the costs of direct response are going to be paid for by BP where they're going

to be built by the Coast Guard or whatever the federal agency is that – I mean the Coast Guard obviously has no (inaudible) EPA. They're going to build those directly, and they're probably going to get paid. Um, the claims in addition to that – which can include municipalities, it could be the state, it could be individuals as long as they're working consistently with the National Contingency Plan, can have costs in addition to that. And if they're not able to be compensated by BP, then they would be able to make a claim against the plan liability fund. But that 75 million, if I understand it, is a um, a limitation of liability for the spiller. But it probably won't affect those initial response costs that I was just talking about. I think those would get billed effectively and paid. But other claims are likely to, at some point, run into that cap. Which is a real – I think is a real problem. I could read you one short paragraph just to get an idea. Um, there are several – there are six different classes of damages. And I won't read them all. But um, some of them are just natural resource damages by themselves. And those are largely claims brought by states – federal government and states, um, it could be other government entities as well. There are damages and economic losses for destruction of or harm to real or personal property. Um, the loss of subsistence uses and natural resources. Damages from lost revenues. And this is definitely important in local communities – "equal to net loss taxes, royalties, rent, fees, or net profit shares, due to injury, destruction or loss of property, damage, report to natural resources." But that has to be brought by a political subdivision or a state – or it could be the state government. But here's one that I really wanted to read you. "Damages equal to the loss of profits or impairment of earning capacity due to the injury, destruction, or loss of real property and personal property or natural resources, which may be recoverable by any claimant." So that, that aught to be within the realm of what's recoverable, but there is a risk that you will run into that 75 million dollar cap. So there's a lot of stuff that if – and I left out one, which I didn't mean to. And there's - that's the net cost of bringing additional public services with damages caused by failure to respond to the spill, or to deal with other – Prince William Sound and in other areas affected by the spill in Alaska - there may be a somewhat different situation in that those communities had an influx in people looking for jobs up in the spill. So some of their communities doubled in size, and they had all kinds of trouble (inaudible). Public safety, so they, they would build instantly from that. They are seeking tangibles that are really hard to evaluate because of the social destruction and fear that comes with this kind of event, and things that happen in, communities, it happened in public health, that happened in domestic violence, there's a lot of stuff that aught to be compensate-able, but it can start to bump up against that ceiling.

Right. I didn't hear any of the response as far as, what was the total reparations paid out in Alaska– do ya'll have that number?

The map that Exxon paid for their spill response was about 3.2 billion over their –

I thought it was around 2.5 billion. And we're probably exceeding that already today in Louisiana alone.

I think your situation is far more complicated - far more complicated. There's a different level – different ways with the – with the Exxon Valdez spill, it was a huge impact boom, and it lasted – some of the effects are still going on, but that acute impact lasted about two years altogether. Here it is far more complicated. The relationships are different. The economic interconnections are far more complicated I think, so um, I totally agree with you. Now we can probably even – maybe even some of these materials

give you an even more precise um, total dollar amount. I doubt that I would remember exactly how much of all of the costs were compensated. Um, there was a settlement – a criminal and civil liability – that was about between – about 900 million dollars. Um, and that then was used for natural resources damage recovery and for scientific research after the spill.

That was between the state government and the federal government with Exxon. So that was just short of a billion dollar bill. So that was the science part of what – we got to look at long term restoration – long term assessment science, and long term…

And the um, the science coordinator for the Exxon Valdez oil spill trustee council, whom, um, Torie and Joe certainly know and standing center is going to be here next week. So if that turns out to be useful to you…

One last question - as far as in your fisheries area – I know that the herring hadn't come back yet, but what was the total time period that you were not allowed to fish until you were able – that most of your fishermen were able to get back, um, was it – how many years?

To - to – to the recovered species?

Right.

Some of the species have not – in fact they just opened the shrimp season twenty years later.

Okay. Well that – and that's kind of – well, and I guess that would be a big one.

And that was much smaller fishery that (inaudible), but..

Miniscule compared to yours.

Right. But the herring fisheries were closed down immediately. Not that there was no herring fishing. Herring fishing on the average was about thirty percent of most fishermen's income. But that was the one that we took the immediate – the immediate settlements on right away. And we had a – a shrunk salmon season which is by far the biggest driver of our coastal communities is our massive salmon runs. So that one in Prince William Sound, areas that were closed by the time we got around to about mid-August. Um, we had a bit of fishery going on. But what happened subsequent to that was the fact that in the two or three years in those big pink salmon returns is that we were getting no returns. And that was where we started getting up against our debt and getting up against our long-term situations as businesses, is that we were not seeing those salmon runs return. And that was getting really scary because combined with the fact that we were beginning to fish a little bit of herring, but that was - there's a lot of disease present in those herring, and by about 1993 coming on to 1995, that's when we got shut down totally with herring. So we had this kind of mixed thing going on where you had a little bit of fishing on the salmon with the major fisheries there, after the spill – after about five months into the spill. But again, we had in place like um, folks from the shrimp board were talking about – we had a lot – we had a zero tolerance. We were definitely zero tolerance in everything. We owed it to our long-term markets as you guys get – to have that zero tolerance. But also, but then like I said, then we had

these hiccups – these particular hiccups in our pink salmon returns. They weren't coming in the same way. They were coming in quite a bit smaller, and that went on for three years. And we used - that's usually a turnaround of about a two-year fishery. You see a big return, small return, big return, small return – and there's a natural rhythm. That wasn't there at all. And that was up in about 1992, '93, was when it really came to the head for us. That was after, so that's four years down the road. We really began to see and question what is going on. That was when we had to do some other civil disagreements and projection markets, other attention. Try to get some scientific money and look at what was going on in our sound.

Let me say one last thing. Did we respond to your question?

Pretty much. I mean, I was kind of curious of the totality of the cost to see how significantly larger our issue is, and I think we all can conclude that we have a much bigger problem than what Alaska was faced with, and we're still growing every day as that oil is spewing.

I think if you needed a more precise answer, we can easily get it for you. I mean there are at least three pieces that I know of – in terms of total impact costs. One of them is the 900 million that we just talked about, and another is how much we've actually spent on the spill response, which was two and a half, 3.2, whatever the financial – and the third is the jury verdict. Um, by claims that were not (inaudible). So we can give you those big pieces, but they would – you would still be right, that your situation would be way more complicated and way more expensive.

From a quick historical perspective too, once that first year was over, there was one year compensation from Exxon, those direct payments to fishermen, and then - by then the lawyers would come in, and people were signed up with lawyers, and there was an adversarial relationship totally after that.

Signed up as an industry or signed up individually?

Um, yes.

It was a class act.

It was a class act.

And uh, yeah.

And that's another thing that I'm hearing a lot – oh, you have a question.

What was the deciding factor to finally reopen the shrimp? Or season? I mean, you know, how did you know how to keep it closed and when to open it?

For us, we'd do field sampling with the Department of Fish and Game.

And you did field sampling to see if there was petroleum products present in the shrimp?

No, this was actually just looking at general abundance.

We had a population base.

You had a population base.

This is my question. Who was really leading – spearheaded the effort to prove that the Alaska seafood that was on the market was safe and to know– everybody here is worried about – not just production loss but also perception after – and the fact that (inaudible)

Um, it was in collaboration with the fishermen, frankly – with the industry. Um, it was the Alaska Department of Environmental Conservation and it was the Alaska Department of Fish and Game. And we were – we entered on the side of being conservative, so if there was a chance of oiling, we closed it. But we kept it closed until we were certain that we could show that there was no way that um, the contaminated product was going to market. Um, so we closed it early. We kept the closures larger than they might absolutely need to be, and we kept them closed longer. And we had complete support from the industry because the alternative was disaster.

As Karla mentioned earlier, the state's policy was zero tolerance. I remember just reading on the on the way down here. But because – organoleptic monitoring – which essentially is a sniff test. They had spot checks by fish processors, by BBCs inspectors, they got a comprehensive program that made people understand and feel comfortable that not a single oiled fish was going to get through, and it worked.

You didn't use third party.

No.

And I mean, the state's Department of Environmental Conservation.

The state – there was a second party but no third party.

I just wanted to mention too to you folks who are in the processing side – we were hearing it last, what? A week a half ago at Brussels International Seafood Show, and some of the Sea Grant folks that were there were telling me that this Tim Hansen who's head of the National Fisheries, or Seafood Program, just recently in the last ten days got an allocation of at least a billion dollars to begin to train out more inspectors that are going to be sent down to the gulf. I'd just bring that you know, for the processing to side with it. So you heard it here, so push it up and say to your inspectors and your FDA and your folks and say, you know, you guys got inspectors on the – you know, come on down. That's part of the spill response. It might be helpful.

When I helped after Katrina, DHH gather samples that we were sending to go in. We had no baseline. We just looked to see if it was healthy. It's my understanding – Wildlife and Fisheries – who else is getting a baseline together right now? Because I know they're sampling right now.

LDQ, DHH.

We're lucky that the inshore water hasn't had any oil. So we might have a basis to work from there. But I mean still, people, you have to deal with the farmer's markets– people are buying stuff now because

they feel gloom and doom. And um, I have two worries. I got one worry that – everybody's going to hoard seafood right now, and when we get to our summertime slump in the end of June to August, and sometimes past that, nobody's going to be buying anything because their freezer's going to be full. So I mean, that's going to affect Gary and everybody else. I mean, you know, we're going to have product coming in, if we've got clean water, and no place to go with it because everybody's going to be full up. And – and making sure that the information that we do get coming in, through DHH or whoever's going to release it, is released that you don't get somebody with the media that's trying to trick the things up, and make it look like something it's not. Because I've had people – constantly – I mean I've been with (inaudible) and we did interviews to just about everybody you could give one to. And all they want is gloom and doom. In my effect right now – I've been going out and talking to them. I said we have no oil so far in the seafood – the seafood's clean, and the same thing I did with Katrina. And you know, and until we get a problem, let's not make it a problem because it's going to cost us too much in advertisement to re-promote ourselves. And that's my main thing. Even if everything's healthy and well, we're gonna be in trouble.

We did have that problem. Um, and I can't remember the details now, but I remember um, some east coast buyers that expressed concern – maybe even cancelled orders in fisheries that are hundreds of miles from the (inaudible).

We had that with Katrina because we had the man came out with the toxic suit, and I mean when you consider the volume of water, the samples we took between Rita and Katrina - which we had to move test stations because that one got wiped out, we had to go to Dauphin Island, Alabama - were cleaner than the seafood was than prior to the storm. Because the volume of water that went through – and you had all the seawater that was cleaning what the inshore water was.

You hit on a very important point. And that's what Harlem, that's why I initially contacted Harlem the day this happened. Maintaining your market image is exceedingly important and it takes work, um, because your competitors around the world – and they are around the world – are quite willing to take advantage of your ill fortune, and that's just a matter of how things are. You have to keep – as long as you've got a marketable product that's good, safe – that's good quality, you need to go to market with it, and make sure people know you go to market with it. Alaska has a similar, um, organization to the Seafood Promotion Board called the Alaska Seafood Marketing Institute – ASMI - that. Um, they did, starting once the spill response that happened and that sort of thing, they had just exactly what Denny was talking about. Fisheries that were literally hundreds of miles from the nearest tar ball, um, were being impacted economically by the spill. ASMI put together what at the time was a famous marketing campaign, and some of you may even remember. They actually licensed one of Andy Warhol's um, portraits of Marilyn Monroe. And then they took her beauty mark and moved it from one cheek to the other cheek, and asked you if you knew the difference, and pointed out that that was kind of the relative difference that was involved in the Prince William Sound versus the rest of Alaska seafood. Was – I think they won the Cleo for that that year. Um, and that's the – the Academy Award for Advertising. Um, but you guys are going to have to do that because you're going to have to fight to maintain your market, and if the shoreline is significantly impacted, and you're going to have sustained closures, you're going to have to fight even harder to get that market back.

What type of diversification did ya'll provide to your businesses around there that were impacted? Because we know that we'll never get back to the level of fishing communities that we have now. I mean it's going to impact us long-term. What steps did ya'll take in order to create some new opportunities for fishing? Like retraining them for HASWOP for possible future spills, or maybe they could carry another card with them if they've had some advanced training – that if it ever would happen again, they could be called to help much more speedily.

(Inaudible)

Well, um, you know, I've got a whole bunch of kind of lessons learned that I can give you, but to specifically answer your question is the state took very seriously these impacts and ambitioned to the Federal (inaudible) that got this financial contingency plan in the Oil Spill Liability Trust Fund. The state got serious contingency planning requirements and there was essentially – the spill at Exxon Valdez was 300,000 barrels, and there were three calm days after the spill, and they said by golly, your planning standard is 300,000 barrels in 72 hours.

Nobody could any longer say that that is not a realistic spill.

That was the realistic spill scenario. And one of the cool things about it is that a certain component of that was required to be from mutual response with the fishing vessel response and not just boom tending, but boom skimming systems to pick up oil and that has resulted in a (inaudible) of 350 trained fishing vessels – fifty of them are tier one, that are paid extra money to be on one standby and ready to respond on a moment's notice –a crew always in the community – not necessarily the boat on, but the crew there. And then tier two are all contracted and given annual training, and paid for that training. So there is a financial benefit through many of the communities in the event to muster those fishing vessels for that – there's actually a tier three component that is a training program in a suitcase that has trainers up there experienced in training fishing vessels, and that training program came down here – I haven't seen it implemented, but it's for fishing vessel responders, and it's able to train fishing vessel boats, and the trainers too – it's just brought it down without working directly with the contractor – the community colleges that developed those – came down a little haphazardly. But there's direct level kind of upper training for fishermen to direct financial change after the oil spill.

And I'm just going to add – I'm going to be a little bit contrary that yes, indeed as the – as the runs shrank after the incident – as further and further it looked like – we're not gonna be compensated for five years, ten years, whatever. As we all know, it ultimately means twenty. Um, there was a lot of tough love. There was not a lot of – of – there was no additional assistance in the communities in order to spur diversification or whatnot. It was just tough, tough times. Um, we, you know, then ten years later, you guys are basically the strongest trade import pressure from all your shrimp situation down here. And we had farmed fish that the whole scene – about that time as well. We went from producing about thirty percent of the world's salmon to being fifteen percent of the world's salmon feed, sixteen percent of the world's salmon feed - seventeen percent of it. We had a couple things that hit us that really has made it more difficult (inaudible), and we bounced along. We had other fisheries. We had fisheries in other

areas. We were pretty mobile and whatnot, but I'm sorry to say there was not a lot of direct assistance in diversification.

Well fortunately, we have a few more industries that need some added capacities. And a lot of these individuals will be seeking new employments that we need the training dollars from the U.S. Government through the Department of Commerce to be able to come in and help shore up some of these technical assistants um, type operations from SBBC's to universities, um, to help quickly to give these people hope because without the hope, they're going to go crazy, and there's going to be a lot of unfortunate suicides, as ya'll saw a huge increase in suicides occur in Alaska (inaudible). And we're trying to take care of their mental well being as well as their economic well being.

How many of the folks in this room work with the Trade Adjustment Assistance Program that import – and I mean at the bottom of that was the training benefits – I think there's a bit of a model there. I mean you know, you're setting…

Well, we have another (inaudible).

I mean that's something – maybe that's a person that might answer your questions.

We do actually have one community that actually did mess with the Environmental Benefit after the spill, because the other component of the spill response was much larger than the fishing vessel one. It was a very minor compensation for being trained once a year. A few thousand dollars might be traded with a small part of a fishermen's cost, but Valdez got a new state-of-the-art spill response capability for that 300,000 barrel/72 hour response. They built whole new facilities. They had, um, vessel available technology – tugs come in to escort the tankers - provided a new escort for each transit. So they had a multi-million dollar operation coming into their community based on those state and federal requirements. And um, so there – but I'm not necessarily sure that that will happen here, but that's one, and another answer to your question. If you get talking about the social impacts, and I guess I'll move on to that if I can – because we have our organization one of the – one of the other things that the Oil Pollution Act of 1990 formed was we called it Open Minding, was a citizen's council that was broadly representative for all the oil impact regions and it represented communities, fishing groups, and um, environmental groups, the Chamber of Commerce, native villages – a broad range of (inaudible) member organizations. And um, this organization um – there is a guy in the area – Rick Steiner, who actually was the sparkplug for this. He modeled it after Sullom Voe in Scotland. Those folks there had it, and so it kind of has standing – had a model that was easily transferrable. Of course it was changed – it was put into the Oil Pollution Act of 1990, and we also the same time had the people in these communities got to – in these communities got together. And again that unified political will, by force of will, said this will happen, and brought Alyeska to the table and got a contract signed. And the contract – I don't know if I mentioned earlier. We've had a couple other meetings, but we got two million dollars budgeted in. We were with a (inaudible) and no-strings-attached independent clause in our contract and that organization essentially in a few words is an anti-complacency group. It represents the best interest of the community and the people's in the oil impact region, and both industry and regulators worked both on the federal and state level accountable, and not through course of any regulatory authority, but

by course of being financed to do the best possible science. By being financed to do reviewed systems on the Oil Spill Contingency Plan to stop, you know, the constant erosion after the industry gets back on its feet and has political influence again, and we've um, I think I can honestly say that we've been very successful at that. One of the more successful things we've did that we think would help you folks is um, we developed a guide book of lessons learned to help communities, to help um, individuals, to help counselors, to help businesses – um, cope with the technological disaster that the um, there is a difference between technological disaster and something like Katrina – you folks know better than me. You all pulled together. You had a natural disaster impact – there was no responsible party to be met, you might be a little upset with the government a little for not helping you right, but you were all pulling together. When we have a spill, and some people get contracts, others don't, and there's "haves" and "have not's" and different impacts, and it makes for a corrosive community. And a lot of problems that you mentioned some things like domestic violence and some other things that it's well studied in the research and you're very lucky to have one of the best researchers probably in the world, and Dr. Steve Picou um, also have Dwayne Gill. They came up immediately after our impacts, and we're studying um, with us continually since that time – they've been there um, Torie can maybe add to this. She's said it better than me, but their research and data that they came out with were probably some of the most convincing data on damages and impacts to people and communities um, aside from the financial side, but the mental health, the social impacts that occur and are real. They were very well documented by those gentlemen, um, who've been doing it for almost twenty years. And when you have that kind of information, you can take that to a court. It helps with the case. But back to my guidebook here that our organization made, I think it's, I think, it's got a lot of lessons learned, a lot of information, um, which we developed really over a ten year period, which is a long time to put this together, and it's um, it's not an easy read, but I think many of you will find value in it. There are things in here like um, newspaper articles already made that talk about technological disasters and their impacts that you can publish in your local newspapers. You can look through them. I mean maybe the news advisory folks will be the folks that will take them and say we want to get this to the local newspaper, or I don't like this article, or I can rewrite one better than this - um, but some ideas for how you can help your community as individuals or as people that are facing the stress and the uncertainty of the situation. Um, there's a lot of other things that you can use here. Some are – oh here it is. Um, Steve Picou did this with us – a peer listener training video to help people cope on a level below mental health counseling. It's a little easier for um, people to deal with. There shouldn't be (inaudible) with mental health counseling anymore. Sometimes people think there isn't. And if you could get with a friend who's been trained in peer listening, and get counseled and figure out ways to move beyond depression, and um, and into more positive modes, that's a good thing, and this is part of our package as well. Um, Steve Picou right from Orange Beach. So I brought a number of packages, I think four of these, but we also have um, them on our website. Um, pwsrcac.org. and um…

Say it again?

PWS – like Prince William Sound – RCAC – Regional Citizen's Advisory Council. And then .org. and um, we put a special page up just to try to help folks, um, from your area, and all the lessons that we have learned, and um, hope that you can find some use from them.

Yeah, this is one of the brilliant things that came out of the spill is the creation of these watchdog groups – there are two of them. And am I right, Joe? The funding for the Prince William Sound Regional Citizen's Advisory Council is centrally guaranteed as long as oil policy (inaudible)

That's what the contract says, yeah.

And the entity that – that Joe deals with most is Alyaska Service Pipeline Company and they are the operators of the pipeline, and they're a separate company, but they're owned by the producing companies that drill oil. And this is just an ironic detail, but at the time of the Exxon Valdez oil spill – maybe after the spill – I don't know, at the time of the Exxon Valdez oil spill the controlling interest in Alyaska was BP. So, small world I guess.

(inaudible)

With regards to the local government perspective, I kind of read up about it a little bit about it with my assistant to kind of see what happened with you guys and all, and at least what I read was that the response to the cleanup was almost ecologically worse than the oil itself. Um…

Can I speak for that? I don't mean to interrupt you. I'll come back to it.

Okay, and then basically what I'd like to know – I don't know if there's any – if these groups that you're talking about that came up that we might be able to learn something from, so that – our response doesn't make it worse, so to speak.

I – this is a really important point. Sorry. There's the kind of folklore that grew up around it that is quite misleading. Um, first of all, there are certainly places in – and I would think that coastal Louisiana with a productive, sensitive wetlands that you have would be a good example – a place that you would have to be really careful and make decisions case by case- and how intrusive your removal technique is going to be. But the reason that I jumped at that is that I have heard this since a year after the spill, in the Exxon Valdez spill, the kind of folklore that – well we were – In fact I was listening to the radio and there was a big oil spill in the North Sea. And I heard the reporter quoting an oil spill consultant who said, "because we learned from the Exxon Valdez oil spill, it's better not to do anything, because you'll do more damage than usual." *What* are they reading? What are they talking about? The research following the Exxon Valdez oil spill shows that the recovery is much faster if you're able to get the oil out of that environment. There may even be instances where you want to use very intrusive techniques, so for example, this is not one of my favorite techniques, but when we authorize the use of hot water high pressure, and the metaphor that was used – it basically took the oil off, but it also kind of cooked all the organisms that were there with it. And so we had some real questions on whether you – whether that was a good thing to do, but we said okay, this is – we get it. This is – as long as there's oil there, we got potential prolonged recovery, and we – so we recognized the tradeoff. But even in those areas, recovery is faster, and it's actually been documented. Now, does that mean use hot water high pressure, or chemical solvents everywhere? Absolutely not, and that's where I would say I want to be really careful that I don't seem to say that those same concepts should translate to coastal Louisiana. It's just a very different set of ecosystems. But I think one has to be really careful because you – it's so easy to be sold

at goods, like well let's just leave the microbes – the bugs will just take care of it. The microbes will take care of it. That is not what the research shows.

Yeah, the state has working – we've done a (inaudible) last week through (inaudible) office. They work with ACA - a task force at RCS. A lot of eyes are looking on it, as he said. So it's a case by case basis. And they a lot of times slightly oiled um, you don't want to go tromping through there and try to take every little bit – it's better to leave it alone– take it case by case by case.

(Inaudible)

I've got one more question – on the – going backwards, ya'll discussed that um, areas were closed until deemed fit to open. What was the average closure of an area that got oil? Not say the heavy, heavy oil that I remember seeing – that was covered in oil and all that, because that's a question that can't be answered here right now. I know they want to prevent any seafood – you know, it's a smart thing. We can't have anything get out of the state that has oil on it. I have a fisherman that comes to me daily. You know, what's going to happen? Where do I fish? Where do I go? Do I sign up for cleanup? What do I do? And I – you know, this is a completely different coastline. Ya'll have rocks to work with. We've got stuff you can't even stand up in. The marsh – and it's slipping away. They had one um, comment that um, one way to get rid of the oil once it hits the marsh is to burn it. Well, that's the only root system holding our coastline together. That's washing away. Um, but going back to it, if an area – a beach in Alaska that got minimally oiled, and what department officially said, okay we're going to fish this area and it's good to go?

Again, that was with the Department of Fish and Game, which was the managers in the concert with the Department of Environmental Conservation.

Uh huh.

We would walk the beach, literally, and we would see how much oil was there, whether appeared to be moving, like with each tide cycle, and if it looked stable – that doesn't mean clean – but if it looked stable, and we thought it was – and we were confident that it wasn't moving offshore, then we were pretty confident – we were very confident that salmon fishing, for example, could resume. But we literally went and took a look very carefully. And in some areas, um, just one last related point to both our you - what you just said – in some areas, we – and I walked several of these myself personally where we had really productive marshes or estuaries. I walked those. Some of them were just heavily oiled. And I just said, we're leaving it alone. Because the only way to get rid of the oil was to get rid of the marsh, and it just wasn't worth the tradeoff. I would rather tolerate a longer recovery time than to lose that – well, if you take out the marsh, you're not getting a recovery of the same system. And that's frankly – those are just too productive and too important. And there are choices, so, I'm sorry that was a little tegument, but…

Oh, but like on the salt water marsh. It stayed closed for a year, two years…

No, I would say it stayed closed – I don't know about fishing right out there, but in an area like that, it was probably closed the whole season. I think the whole first year.

Okay. Alright.

(Inaudible)

And then the second year we still had oil moving, but it wasn't um, at the times that we thought it wasn't any jeopardy to the fisheries.

Can I point out that there are some pretty significant differences about that environment? One of them is the tidal range.

That's true.

Okay, Prince William Sound- what's your tidal range, twelve feet? Fifteen feet? Depending on where you are?

Seventeen feet.

Whereas you know, your tidal range is…

Fifteen inches.

Yeah. Fifteen inches.

Gary, and on that gulf – on that Gulf Sea Grant website there's a really good ASMAT document that compares – it's called a help or hindrance claim to the marsh – it comprises all kinds of worldwide spills – what they did with the recovery time versus (inaudible) Spain, France. It's a really good easy read document for an ASMAD.

Can I see (inaudible?)

Where is that?

Yeah, it's all by Louisiana – you can go on our Louisiana Sea Grant website. There's a link right on there.

Hang on. There's another document in there that…

It's off today for some reason. I think they've just been updating it.

Yeah. Did we post the documents on the dispersants?

(Inaudible)

…around the world. It answers a lot of questions that the press has been getting wrong. I wish they'd take a look at it.

(Inaudible)

Before we end this discussion, we'd love to ask the people in this room who are thinking about dispersants.

Can I ask a really quick question? What is your – what is you subsidence rate? What are your – what is your sea level rise rate? Do you have any idea? Because this opens up a new can of worms, and you were talking about the tradeoffs of whether you disrupt a marsh, cleaned it up, or leave it? That might really be a huge long term thing that we might have to decide to do.

Absolutely.

Because we can't afford to lose any more land.

I hadn't thought of that.

(Inaudible)

We have much freshwater intrusion from the melting glaciers. We have erosion problems, but actually no sea level rises.

(Inaudible)

I didn't realize the sea level in ya'll areas are actually going down due to the isostatic glaciers.

In some areas, yes.

That's interesting.

(Inaudible)

You know, I like this kind – I like these kinds of meetings. They're very helpful – it gives a lot of optimism. Because you're sharing your, you know, best management practices and so forth. I'd like to ask from Sea Grant's perspective that you know, we have a distance learning facility down in Houma. If you ever conduct meetings like this again, and you put out, and you want to distribute that, that will allow us to be that conduit, for our area so that we could get a little more people involved. I know that there's not been a lot of interaction, but maybe we can facilitate that in the future. I think that's a really good start in collaborating and trying to share good practices.

Alright. I just wanted to end to my participation or whatever this is, going back to OPA '90. OPA'90 is why our species exists. Okay? And the entirety of the programs that go with it. And their in open ID because that is their delegation makes sure that they deal with OPA '90. Okay? Um, and there'll be some kind of approach to legislation after this. That's the way the political world works, whether it's a reopening of OPA '90, or an additional act or something, but in the next year or two, the congress is going to take this issue up. There's no doubt in my mind. Dealing with some of this stuff, whether it's what you want in the new federal regulations, whether it's trying to ensure that you're properly set up through your natural resource damage assessment to take place. This is like driving an aircraft carrier. You drive an aircraft carrier, you're driving it way ahead of where you are. Because it takes a long time

to turn that sucker, and it takes a long time to stop it. And you need to approach this the same way. As much as you're in emergency daily focus today, you need to identify the fact that you must be looking forward to prepare for those things – to do those things that are inevitable out there. Or for instance, when it comes to natural resource damage assessment, you're going to wander into your first meeting and wonder why it is you're sitting across the table from the best biologists, economists, and lawyers in the world. And they all work for BP.