OIL SPILL
6/2/2010 9 A.M.
BILOXI, MS

Disclaimer: This transcript begins with the first mention of the topic and introductions.
(AUDIO STARTS ABRUPTLY.)

(0:00:03.8)
TANYA: I'm Tanya Crockett, and I work with Mississippi State University Extension Service. I work with just personal finance, not with business. Some of yours is business, so I won't have all the answers for you. If it relates to personal finance or your credit cards, that is something that you can try. Have you tried to call credit card companies to lower those interest rates since you're current with your bills? You said you're current on all your bills, right?

AUDIENCE1: ***[0:00:33.5 inaudible]***.

(0:00:32.6)
TANYA: Okay. Have you tried to contact the credit card companies?

AUDIENCE1: ***[0:00:36.5 inaudible]***.

(0:00:38.0)
TANYA: Okay. Let me give you just a tool. Have you ever tried working with Consumer Credit Counseling?

AUDIENCE1: ***[0:00:44.4 inaudible]***.

(0:00:46.1)
TANYA: Okay. We have a local office here in Biloxi. They are on Pass Road in Suite 2. I can give you their contact information, because what they can do is help you talk to those creditors on how to lower your interest rates. What I have found, because I'm not a certified financial counselor, they have certified financial counselors on staff. What I found is that when a counselor from Consumer Credit Counseling calls on your behalf, that they're more successful with than you calling on your own. Because they know the right terms to say, and they have relationship with most of the credit card companies, and they can help you with that from that standpoint. That would be my first step is to call the Consumer Credit Counseling. Now, let me say this, because you will get frustrated. Consumer Credit Counseling just like any other organization has been affected by the economy. So therefore, when you call, you're

going to call a toll-free number to make an appointment at a local office. Let me go on and put that out. It was the time when you just picked up the phone and call a local number, you immediately talk to someone in Biloxi, but we're not at that time. When you call that local number, they're going to ask you pretty much the things that you just shared to me and much more before they can make an appointment. You can have an in-person, you can do it over the Internet, or you can have a phone. It's really left up to you. I know a lot of people like to sit down and talk face to face with someone. That's the first advice that I can give you that relates to your credit cards. Now, from a business standpoint, that relates to your rent a property and those mortgages, I just can't advise you on which way to go. Would you like to speak on it?

JACK: Thank you, Tanya. My name is Jack Camp. I'm a Public Information Officer with the US Small Business Administration. In response to to the oil spill, the SBA has a couple of initiatives. Do you have an SBA Disaster Loan?

AUDIENCE1: ***[0:02:58.4 inaudible].***

JACK: Okay.

AUDIENCE1: ***[0:03:03.8 inaudible].***

JACK: Mm-hmm (Affirmative).

AUDIENCE1: ***[0:03:11.5 inaudible].***

JACK: Okay.

AUDIENCE1: ***[0:03:14.1 inaudible].***

JACK: I understand what you're saying. The other thing that we're offering are low-interest disaster loans. These are economic entry, Disaster Loans as we call them. They are working capital loans to help a small business pay your operating expenses including your fixed debt payments that you can't pay because of the oil spill but would have been able to pay had this spill not occurred. These loans are not designed to refinance your debt. That would help you a lot too if you refinance certainly to sell. Generate some cashflow, some real cashflow, but you can apply for one of these loans, and we'll take a look at your situation if you meet, both our under-riding and

eligibility criteria. We may be able to help you with the loan to give you some working capital to keep your head above water. We typically take a look at your tax returns, compare what you did in previous years to what you're doing or expected to do, and provide you with working capital to meet any anticipated shortfalls until we think we're going to return to normal. Now, when you apply for them on these loans and before I would approve a loan for you. It turns out maybe that the effects of these are longer lasting than we determine upfront. You do have an option to come back and ask us for additional funds to modify and increase the loan, but that would be up to you once it was approved and dispersed to follow through and kinda keep an eye on things. That's what the SBA is offering. Having some of your properties listed is a good thing. I'm sure you're keeping in touch with your realtor.

AUDIENCE1: ***[0:05:38.8 inaudible]***

JACK: Yes.

AUDIENCE1: ***[0:05:41.7 inaudible]***

JACK: Right.

AUDIENCE1: ***[0:06:03.5 inaudible]***

JACK: The interest that we're offering are 4%, and the terms can go up to 30 years. Like I say, it's not going to refinance those credit cards for you. They would determine what your regularly scheduled payments are and ideally provide you with the funds to continue to make those payments until things return to normal. You can explain it, and then you provide your financial statements, and we're going to compare what you've done previously to what you're anticipating right now as a result of the oil spill. Another suggestion that I would make would be to contact your local SBDC, here in Gulfport- Biloxi. They have a lot of different initiatives. They provide mentoring and counseling services for small businesses. I would strongly recommend them also.

(0:07:33.2)

TANYA: I know that you mentioned that your house is, that you have on the market, what about any other property that you can sell to bring in

money? Any other non-related to housing but any other things that you can sell that can bring again some income. I guess that's my next step. What are other ways that you can bring in some income?

AUDIENCE1: ***[0:07:55.1 inaudible]***.

(0:07:58.6)
TANYA: Okay, I got you. Just what I was wondering. Yes, that's the only other thing that I can suggest that when we're working on this that we got to find things that we can sell, because that's the bottom line we need more income and how can we get more income. As far as employment, were your rental houses your main source of income?

AUDIENCE1: ***[0:08:21.0 inaudible].***

(0:08:23.6)
TANYA: Okay, yes. We might have to look at that differently and find a way that we can maybe gain some employment some way to increase that income. How many of the houses are rented?

AUDIENCE1: ***[0:08:35.6 inaudible]***.

(0:08:44.5)
TANYA: So, it's all the effect of Katrina?

AUDIENCE1: ***[0:08:46.9 inaudible].***

(0:08:49.3)
TANYA: You went to Mississippi Development Authority? Okay.

AUDIENCE1: ***[0:08:54.4 inaudible].***

(0:08:57.0)
TANYA: Yes. The other resources that I would add, but you wouldn't qualify, to cover the property that you own, is through the Department of Human Services, Economic Assistance.

(0:09:08.1)
AUDIENCE1: ***[0:09:08.1 inaudible]***.

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JACK: Oh yes, there's a couple of different avenues that you can take to get information. It's very easy to actually apply online. Just go to www.sba.gov. There will be a tab for Services, look for Disaster Assistance, and you'll see a link that says "Apply Online"; you can apply online. At that Web site you can also download our forms. We have an 800 number that you can call for assistance, all sorts of assistance. Let me go back to the Web site, on that Web site is all sorts of questions and answers about our program, what we do, why we do it. We even, our regulations that we are ***[0:10:00.4 inaudible]*** are there too. There is all sorts of information about the program on what to expect or are contained therein. You can call our 800 line, 1-800-659-2955 to get information, answer questions; they can mail you an application packet. We also have five centers located here in South Mississippi where you can actually go in and sit down with an SBA representative and talk to them one-on-one about your situation. They can assist you with completing the application, answering any questions you have, accept the application for you and get assistance. Those centers are located in Gulfport at the Hancock Bank Plaza; that's where our SBA branch office is. We have some representatives in there. We also have an office over in Pascagoula.

(0:11:06.4)
AUDIENCE1: ***[0:11:06.4 inaudible]*.**

JACK: Okay. There's one in Pascagoula, at the Fairgrounds. There's another one over in Waveland at the Civic Center. There are two more at Lucedale in the Emergency Operations Center, they're in the Courthouse Complex. Finally at in Wiggins at the Stone County Courthouse.

(0:11:33.2)
MODERATOR: ***[0:11:33.2 inaudible]***.

TOM: Good morning! My name is Tom Becker. I'm the President of Mississippi Charter Boat Captains Association. I get all kinds of questions and things. They're all wondering about the SBA possibilities. Of course, we are the first ones affected when they first closed everything down up here, everything was shut down. That time the phone never stopped ringing to cancel trips for everybody, and they did not call for booking trips. This being our prime month for business, the business is basically dead in the

water especially after the water came or the oil came up on Petit Bois yesterday. They're asking me what options do they have with the SBA if they need it, because they would like to stay in business, but we don't know on our aspect of it, how long this is going to last just as NOAA says and the EPA said, we don't know how long is it going to last, how long is it going to affect us be able to go out there and fish. What avenues did they have so I can get back to these guys and try to explain it to ‘em.

JACK: Basically the same avenues. If they have an existing loan from Katrina or another disaster then they need to go by one of our centers or call our 800 line number, and we're offering deferments on existing SBA Disaster Loans anywhere from 6 to 12 months. If that is not enough, they can come at the end of that period, and we'll consider additional deferments. These aren't going to be made available to everybody it's on a case by case basis. That is one avenue that can give them some immediate relief if they are in that situation. The working capital loans, they apply to the charter boat captains also. It does not apply to the crew members. They've got crew members on the boat and that may go more to commercial fishing than what you do. Crew members aren't considered a business per se. The owner of the boat is eligible to apply. Once again we'll look at their financial information compare what they did previously to what they're anticipating as a result of the oil spill to provide them with working capital so that they can continue to make their regular scheduled payments and pay their operating expenses. They're expected to use our resources and cut back where they can, you need to do that but certain expenses obviously are going to go on. That's what these loans are designed to address. Once again, we'll make a determination when you apply as to how much your eligibility is. They may look down and say okay, this is going to last 6 months or 12 months, I don't know exactly. It's on a case-by-case basis, and they’ll offer a loan based on that. If in that time period, if you're still seeing effects, then your members would need to come back to us and ask for modification for an increase. The loans, one good thing about them, I think I mentioned that there 4% loans up to 30 years that can go up to, depending on the eligibility, $2,000,000.00. We're going to be deferring the first payment from these loans for 11 months. So basically they've got a year before the payments come due. Another thing that I might mention to the business owners and this might apply to you too is to contact BP and file a claim with BP. It was their oil rig. So, file a claim with them. It's going to vary depending on what's going on

there, but we'll consider any recovery they'll get from BP in our loan analysis. If you get a loan from the SBA and down the road you get a recovery from BP, hopefully they'll be able to pay down or pay off the loan.

(0:16:45.1)

TOM: It's basically what they want to know, because most of them have applied for the loan from BP, of course that's an uncertainty as to how long that would go and that's the big problem because our slip fees don't stop, the insurance payments don't stop. Maintenance on the boat, just sitting there is not good. All these things start adding up, if they got boat notes, you refinance engines, you're looking $70,000.00 worth of engines on a diesel boat that's what mine are. Alright, we're right at $70,000.00 for new engines. Those bills are still due, even though the boat's paid for, the engines aren't. So, they come and get them, they sit there dead in the water. Anyway, it's something that the guys wanted to know wanted me to ask, a lot of them don't know how to ask him so, I'll come up and talk for him. I have no problem with that, as Mr. Forrester knows. Anyway, thank you for that information. I'll pass it on to the guys.

JACK: Applying is not difficult. As I said they can apply online sba.gov or if they feel more comfortable they can come to one of our centers and sit down with one of the representatives and they'll help them with it. That's what we're here for. The SBA is committed to the small business community here on the Gulf Coast. We have the resources on the ground. We're going to stay for as long as there is a need. These loans I should mention when I say that that there is a filing deadline of February 14 of 2011. Of course if they're feeling the impact right now as they are. They really should probably go ahead and apply.

TOM: We get our boats ready in the wintertime and spend the money that we had put away for that project like going up on a shipyards and things like that. That's not a very easy process or money-wise to go up and paint the boats and do all the things the Coast Guard wants you to do especially being an inspected vessel like myself. They come down, and they rattle the shafts, and they push on the wheels, check everything that, make sure everything is right before we're going to take out. We can drown six, all right no problem, but that

seventh one we pay hell for. It's nice to see you Mr. Forrester other than on that little small screen on the table. Last time I saw him, he was goofing off somewhere in the world, having a good time. Thank you for the information. I really appreciate that. I'll get it back to the guys.

(0:19:33.9)
MODERATOR: We also have the legal perspectives room. If you need to know about filing a claim with BP you can check there as well.

SAYLA: My question is actually for Mr. Forrester. How are you? As with the captain who just left, this is our season too. My name is Sayla Carrey, I'm from the Isle Casino Hotel in Biloxi. We were looking forward to a really bright summer with our hotel occupancy especially. Now, that's kind of in limbo. We see cancellations every day and no more bookings every day. I just wanted to ask that really in lieu of our normal tourists, we know we have all these thousands and thousands I heard on the TV today in Louisiana BP is bringing in 2400 people to the coast to help work on it. I was assuming that they can be doing the same thing here in the very near future. Unfortunately with the Casino Hotel, we're kind of a disadvantage because we're not normally looked at as a corporate entity so they don't call a Casino Hotel. I called every single agency that I can think of and left messages saying we have rooms, we have rooms. As soon as they hear casino, we don't get the call back. I guess my question for Mr. Forrester is since we can't require this, I know, but since you know of all and everybody else knows all the agencies coming in. Is there any way you can do like with tourist groups, can you ask if they can do RFPs so that we can have a fair shake at who's coming in to what hotel. So that we can actually have that bid process going on, since it does look like it's going to be for the long haul. I'm not talking about 10, but 25 or more rooms for an extended period of time.

TOM: We can certainly request that of them. Unfortunately with large companies like that, they usually have whole divisions that are set aside to make their travel arrangements for them, and they handle that. We will certainly make them aware of the opportunities. My sense is is that they're going try to find the cheapest rate they can find. Unfortunately in that instance, the fact that you are a casino, they're instantly going to think they're not going to be able to get a

cheap rate there, and so they're going to go elsewhere, but we'll try to advise them.

SAYLA: That's why I'm hoping for the bid process. Right now we have two agencies staying with very small amount of rooms, but they're extremely happy with the rates that we've given them, with the accommodations that we've given them and we've given them extra meeting place and everything. They're very happy but it's just trying to get more people to understand that we can do that. I'm speaking for all the casinos not just ours. I think we're all in the same boat. Anyway, I'd appreciate it if you'll give the effort. Thank you very much!

TOM: Thank you!

(0:22:28.3)
MODERATOR: Anyone else?

AUDIENCE: The address of the SBA office in Gulfport. Could you give that to me so I can write it down because I can't remember?

JACK: If I can, I'll give all five, but I'll give yours first. In Harrison County, we're located at the Small Business Administration Gulfport branch office. They're located at Hancock Bank Plaza, that's at 2510 14th Street, Suite 103, in Gulfport,39501. In Jackson County, at the Jackson County Fairgrounds and the Ticket Office at 2902 Shortcut Road in Pascagoula. In Hancock County at the Civic Center at 335 Coleman Avenue in Waveland. Now, we'll say about that one location, there's a lot of construction still going on over in Waveland, and actually some street construction in front of the facility. There is a fire station next door, so they're keeping the road open, it may not look like it, but you can get to him. In George County at 355 Cox Street Suite J that's at the George County EOC in Lucedale. In Stone County at the Stone County Courthouse at 323 East Cavers Avenue in Wiggins. The hours of operation, the offices in Pascagoula and Waveland are open Monday through Saturday from 8:00 AM to 5:00 PM. Our other offices one in Gulfport, here in Harrison County, in Lucedale and Wiggins are open Monday through Friday from 8:00 AM to 5:00 PM.

(0:24:59.3)
MODERATOR: Do you have any other questions?

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JEFF: I'm Jeff Feinberg. I work for Northrop Grumman. We're in the process, as you all know, we're based in Pascagoula. We have waterfront management and waterfront facilities there. We are in the process of starting a sea trial coming in up here in about three weeks. We take the Navy vessel out. We've taken the Navy vessel out based on the things that we will possibly occur or incur out there when we can bring it back in, what would be required to do during the wash facilities and stuff like that. The area is along the coast. We are going to be handling it to the East. What has been set up? How they're going to do it? And how long it's going to take to do it? We have roughly a 600-foot vessel, and what are we going to incur?

(0:26:02.1)
MODERATOR: Unfortunately I don't think we have that answer in here being business and finance but if you ask...

JEFF: Isn't this the business and finance, I mean the Waterfront? Based on your chart.

(0:26:15.1)
MODERATOR: You mean what's going to be required to...

JEFF: When we come back into port, is this going to have business and finance?

(0:26:26.4)
MODERATOR: That would so is marine transportation and other working Waterfront industries, and we don't have a representative here from that. Can we get your information and find out for you?

JEFF: Okay, so you don't have a representative here?

(0:26:41.5)
MODERATOR: We do not have a representative here to answer that. I know there's people in the building who have more information on it but we don't. If I can take your contact information then we can get it for you pretty quickly.

JEFF: We'll get the information.

(0:26:56.6)

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MODERATOR: Okay. Thank you.

AUDIENCE3: Okay, I'm sorry. I kinda just jumped into this one. I just came from other fisheries and wildlife. My concern was for the seafood fishermen who are suffering the economic loss at this point. I've heard some of them who's trying to pay down the SBA loan to make sure the other loans don't come after them. What is your advice with people who want to talk with their banks and try to request for deferment or some type of alternate refinance at this point?

JACK: For those people who has an existing SBA Disaster Loan, they should call our 800 line, 1-800-659-2955 or go by one of our centers that is here in Mississippi. The SBA is offering deferments on existing SBA Disaster Loans from 6 to 12 months if that's not enough at the end of that period, they can come back and ask for more. The decisions on granting deferments are made on a case-by-case basis. So, they should call. If they have an SBA loan that is not a disaster loan, it gets a little more complicated. Our administrator is urging our banking partners in the 7A and 504 and our other ***[0:28:55 inaudible]*** Loan Programs to consider similar deferments that we don't really have control over what the banks do so, they make to get that call. They definitely should get in touch with them. If they're having trouble with their loan payments overall, the SBA Economic Injury Loan is a viable alternative for them. It's a 4% loan with terms up to 30 years. First payments aren't do for, there's an 11 month deferment on those payments on these loans. Depending on the eligibility could be for as much as $2 million There should be plenty of funds available for them. It's easy to get the ball rolling on that. They can apply online at www.sba.gov. They can call our 800 line number. They'll mail them an application that can answer any questions they have or they can come by one of our centers, we have five centers in Mississippi. Here in Gulfport, we have one at the Hancock Bank Plaza. We also have one in Pascagoula at the Fairgrounds and one over at Waveland at the Civic Center. We do have an interpreter, a Vietnamese interpreter here in the state.

AUDIENCE3: Is that one staff of interpreting servicing at all centers?

JACK: He's covering all of them. If we got someone who wants to come in with the need, we will have to make arrangements to make sure that he's there.

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AUDIENCE3: Sure. Can I have the contact information?

JACK: What I'd recommend you do is call the 800 line number and tell them that you have someone. They actually have interpreters at the 800 line number. If they want to call in there, they have a translation service through that number. We can make arranges to have that person at the meeting. When your business person, mostly come in to visit one of the centers.

AUDIENCE3: Okay. I appreciate it a lot. I was just waiting for the next question. I'm sorry. I don't understand the acronyms. Okay, great.

With the recent disaster, I know there has been some monies funded regarding the perception issue to encourage Mississippi tourism. So, can you tell us where does that money go towards? Is it ads? I mean, can businesses apply for it for certain marketing needs?

TOM: BP provided $15 million to the State of Mississippi. The state has used $4 million of that money for ads that you currently see running or the Governor and Marsha Barbour inviting people to come down. The remaining $11 million, how it will be used is to be determined by a steering committee appointed by the state with representative from Jackson, Harrison, Hancock counties and the State Tourism Department. Those monies more than likely will be used in an overall campaign and more than likely will be a national television campaign to convince the public that we are in fact open for business. Until such time as the oil comes on shore and wherever that's going to be, I would have to assume that the message will continue to be that we're open for business; there's still a lot of reasons to come to the Mississippi Gulf Coast.

AUDIENCE3: Sure. Have you seen a dip in tourism?

TOM: Oh, yeah. Yeah. We've had hotel cancelations, we've had charter boat cancelations, Ship Island Ferry was just in here a little while ago, they had 32 passengers this morning. They normally run 300 plus.

(0:33:55.7)
MODERATOR: All right. I appreciate everyone. Thank you.

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END OF AUDIO.