

**WRITTEN TESTIMONY
OF
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PRESIDENT**

**NATIONAL ASSOCIATION OF CHARTERBOAT OPERATORS
PANAMA CITY BOATMEN ASSOCIATION**

**FOR HEARING
A YEAR AFTER THE DEEPWATER HORIZON OIL SPILL:
THE STATUS OF RECOVERY EFFORTS IN FLORIDA**

**BEFORE THE
UNITED STATES SENATE
COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP**

JULY 11, 2011

Madam Chairwoman and members of the committee, my name is Robert F. Zales, II and I am appearing today on behalf of the National Association of Charterboat Operators (NACO) and the Panama City Boatmen Association (PCBA). NACO and PCBA thank you, the Committee, and Senator Rubio for your kind invitation to present testimony on the critical issue of the impact of the Deepwater Horizon Oil Spill and the Status of Recovery Efforts in Florida. Congress faces many difficult choices but also has many opportunities.

NACO is a non-profit 501 (c) (6) association representing charter boat owners and operators across the United States with a substantial number in Florida and PCBA is a local Association representing the local charter boat fleet. Sadly, we are acutely aware of the devastating impact of the Deepwater Horizon Oil Spill on the Gulf of Mexico and Florida charter boat industry. Indeed, on behalf of NACO Gulf and PCBA members, I was and am still actively involved in working with Federal, Florida, BP, and local

representatives on the impacts to charter boat fleets and their involvement in cleanup, economic recovery, and resource damage assessment efforts. I also wish to point out that I am a simple charter boat operator and not accustomed to providing formal testimony such as this so please pardon my rambles in what I provide.

Charter, commercial, and saltwater recreational fishing is extremely important to Florida and the Gulf of Mexico, both economically and socially. In 2008 there were 90,000 Floridians directly employed in recreational fishing-related businesses. Florida alone accounts for 40% of all marine recreational fishing nationally, with \$9.7 billion in total sales from recreational fishing in 2008. Reef fish (a general term including snappers, groupers and other families of bottom-dwelling species in temperate and sub-tropical waters) are vital to Florida's fishing economy. They are a main target for the recreational boating community, and are highly prized by anglers fishing the Gulf of Mexico.

The Deepwater Horizon oil spill began on April 20, 2010 and immediately began to devastate the Gulf of Mexico marine resources, economies, and social infrastructure. This devastation increased daily and only began to lessen once the well was temporarily capped in mid July and permanently shut in on September 20, 2010. While the oil flow was stopped, the chemicals applied to disperse it continued being dumped into the Gulf. In addition to the physical impact on marine resources causing severe economic losses to fishermen and their communities, the national media created mass hysteria by their reporting only negative stories to the public indicating massive layers of oil on all of our beaches and in our waters.

The National Marine Fisheries Service (NMFS) closed up to 36.6% of all Gulf waters to fishing and harvest of fish as of June 2, 2010 with varying degrees of percentage before and after with the last reported closure of 0.4% as of November, 2010. While these closures were activated to ensure the health to consumers from eating possible tainted fish, the impact on the charter fishing fleet and communities was enormous.

As a result of the blow out and subsequent media exposure, charter fishing customers began canceling their fishing trips and family vacations. This began the end to the fishing season which had begun as a promising season that we all looked forward to after the last two years of overly restrictive Federal regulations and sour economies. Shortly after the BP well blew out, they initiated the Vessel of Opportunities (VOO) program which was designed to provide economic help to those on the water workers such as charter boat owners, operators, and crews while also increasing the size of the recovery effort fleet. While the VOO program was designed to assist those impacted the most, as with other such programs there was abuse and some charter boat owners, operators, and crews were not able to participate.

The VOO program was both a blessing and a detriment as returning charter fishing customers could not fish with their favorite Captain and in some cases found other areas of the country to fish. Some of these return customers may never come back to Florida thus further affecting the Florida and local economies. In addition there is the Gulf Coast Claims Facility (GCCF) which was established to provide those affected by the impacts of the spill with their economic losses. To many of us, the GCCF has been a massive failure as our claims are either still in review or ridiculous offers have been made.

From the beginning of this disaster, various Government (Federal and State) agencies were active in obtaining information and working with all parties to ensure that our marine resources were unaffected as much as possible. Fish sampling by various agencies, led in Florida by the Florida Fish and Wildlife Conservation Commission (FWC) and the Florida Department of Agriculture, began shortly after the blow out. Critical testing of fish tissues to determine any health issues was done and according to reports by all agencies involved, no health issues were determined and all fish from the Gulf were declared safe to consume.

Over the past several months, there are now reports from some fishermen (commercial and recreational) of harvested fish being seen with severe lesions, fin rot, damaged internal organs, and according to the NMFS possibly infected with *Vibrio vulnificus* and *Photobacterium damsela*, both very harmful to humans. More studies are now underway to determine the extent of these issues and to attempt to discover the cause. In some areas of the Panhandle of Florida, the FWC has issued Special Activity Permits to select charter boats to legally harvest any fish that appear to have health issues and not include them in the customer bag limit. These fish are then provided to the proper FWC officials to be studied.

Since 2004, the Gulf of Mexico has sustained one disaster after another. Hurricane Ivan was very destructive and devastated many of the coastal areas from Panama City through Mississippi. 2005 saw the worst hurricane events in recent history with the 3 largest and most destructive storms of Katrina, Rita, and Wilma. The Deepwater Horizon blow out has been characterized as similar to hurricanes in the impacts it had on our marine resources, communities, fishermen, and our families. Living through numerous hurricane

events in my 46 years on the water, I can tell you that the BP blow out is far worse than the most destructive storm.

All experts will tell you that an area hit by a hurricane will take up to 3 years to recover to their condition prior to the storm. A hurricane will arrive with notice to prepare, the BP blow out was unannounced. Damage from a hurricane can be fully assessed and preparations are made to restore the areas affected. Marine resources are temporarily affected but generally recover quickly; in some cases to more productive levels as Mother Nature has a way of taking care of her resources. The social and economic impacts can be fully assessed and the costs of recovery projected. The psychological effects are known and the future can be predicted with reasonable certainty.

In contrast, the BP blow out impact is far different. It was unannounced; no one was prepared for the impact on the marine resource, the communities, individuals, or families. No one knew how long the spill would continue or when it would be sealed off. No one knows the full impact the blow out will have and worst of all, no one is able to predict the future and what impact the blow out will have on the Gulf of Mexico. We do know that the charter fishing fleet was struggling prior to the blow out due to the overly restrictive federal fishing regulations. Those of us who spend our time on the water have a good understanding of the real condition of our marine resources as we depend on them to survive. At this time, we have no idea of what the impact of the blow out will be on our future survival.

So far this year, Mother Nature has provided great weather, our waters appear to be clean and free from oil in areas we can see, our fishing, with the exception of the sick fish, has

been as good as ever, and business has been good for most. Still, we live in fear of the future. Millions of gallons of oil are still unaccounted for and certainly is located somewhere. The fish we see and harvest are from year classes prior to the blow out. The 2010 year class for a lot of the prime species we seek (red snapper, king mackerel, bluefin tuna, yellow fin tuna, wahoo, dolphin, and others) is highly questionable. The timing and location of the blow out could not have been worse as the time of year and location of the oil and chemicals used were in the bull's eye to do the most harm.

Contrary to a report produced for Mr. Kenneth Fienberg (*An expert opinion of when the Gulf of Mexico will return to pre-spill harvest status following the BP Deepwater Horizon MC 252 oil spill*) released on January 31, 2011 that states that harvest levels will return to normal by the end of 2012, several renown fishery biologists, say it will be a minimum of 3 years and could be 5 before we have any real knowledge of the impact on these species.

In addition to the fish species we seek, the marine mammals, turtles, sea birds, natural and artificial reefs, sand and mud bottom, and complete ecosystem has been affected. It will be years before we fully know the impact to these very important resources and how that impact will affect the whole. While the impacts to the resources are extremely important, the impact to humans will be substantial. There is currently a study (*GuLF Study* conducted by the National Institute of Environmental Health Sciences (NEIHS)) which will be done over a 10 year period and involve over 55,000 people who worked in the cleanup process to determine any health impact on humans. This includes psychological as well as physical issues.

FUTURE NEEDS

I have attempted to provide the impacts of the blow out above. I will try to provide the needs we have for the future. IT IS IMPARATIVE THAT THE FINES THAT WILL BE ASSESSED AS PER THE CLEAN WATER ACT (CWA) FOR THIS DISASTER IN THE GULF ARE DEDICATED TO THE GULF! The damage was sustained in the Gulf so the resulting fines should remain in the Gulf. You will hear from many organizations, communities, states, and others all with their respective hands out for funding. Charter boat owners, operators, and crews and other commercial and recreational fishermen do not have organizations with the infrastructure to seek some of this funding so we ask for your assistance to help us. We do not seek individual economic help from the CWA fines, although should we find in 3 to 5 years that the fish species we seek are in dire straits we will most certainly need financial assistance to survive.

Our needs are all resource oriented. We must have an ecosystem that is capable of sustaining our fishery resources. We must have expanded funding for cooperative independent research of our fisheries which will utilize vessels from the charter fishing fleet. Cooperative independent research is providing much needed real world data on our fisheries and this effort needs to be vastly expanded. The data collected under cooperative research grants involves real fishermen in areas where they have knowledge of their fisheries. This type data is recommended by the NMFS and can be done through grants to non profits in conjunction with Universities and state wildlife agencies.

As a result of the damage and uncertain future of fisheries due to the blow out, funding for improved and yearly stock assessments should be provided. In the Gulf, most fish stock assessments are conducted only every 5 to 7 years. Under the current circumstances

5 to 7 years is grossly inadequate as we must know the status of our stocks on a more frequent basis to fully understand any impact from the spill.

We will need adequate funding to ensure our natural and artificial reefs are clean and intact. Enhancing our artificial reef system is a priority and can start with the immediate cease and desist by the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) of their required removal of deactivated offshore oil platforms. Since the blow out, BOEMRE has expedited the removal of these deactivated platforms which removes much needed fishery habitat from the Gulf.

Economic and social impact studies of the Gulf charter fleet should be fully funded so we know the real impact of the fleet to local fishing communities and the Gulf. To date, these studies provide little relevant information. This is one area where the GCCF claims issue could be improved. There is little information that provides the type of economics on the charter fleet that can be used to fully understand the impact from lost business. Charter boat owners, operators, and crews are unique in how they operate. The charter fleet is a seasonal business where the majority of their income is derived in a few months and then spread out over the year. When the season begins in April and runs through September the money is made in 6 months and then utilized over 12. Generally income is not collected per month or week although expenses are year round.

Research funding to further study fish health must also be a priority. Our prime interest is to ensure that the fish we harvest are safe to handle and to consume. We must know, with reasonable certainty, that any fish that appears to be unhealthy is properly handled and tested so that consumers can have confidence they are catching and eating quality Gulf

seafood. Many of the fish health issues have never been observed before the blow out so it is a must that the cause of any health issues be known as soon as possible.

Funding from the CWA should also be used to advertise that the charter fishing fleet is alive, well, and ready to serve the public. Funds must be provided to obtain new customers lost and to notify those who left that we are still here and ready to fish in clean water and catch quality fish.

I suggest that a panel of a variety of stakeholders be created who will be responsible to distribute CWA funds for the various needs of the Gulf. Politics and the buddy system should be removed from the process. Once the funds are received and proposals for the various research and renewal projects are provided, the panel should be charged to make recommendations that will ensure the most important and effective projects are funded and activated. There must be stipulations that the charter fleet will be actively involved in fishery independent research.

In closing I wish to state that the Gulf charter fleet was once a viable, productive, and sustainable group of small business owners. We provide a necessary service to individuals who want to fish and enjoy our natural resources. Over the last 6 years the fleet has struggled and yet continues to survive. The impact from the Deepwater Horizon oil spill was almost the last nail in the coffin. It is imperative that the CWA fines be dedicated to the Gulf, that they be properly utilized to ensure the health and safety of our Gulf, and ensure the sustainability of the charter boat fleet. The charter fleet owners, operators, and crews are the first responders to any issue on the water. We are on the water daily, we see the condition of our resource and are first to report any problem. We

beg to provide information on fisheries to an agency, NMFS, who routinely tells us they know our resource better. We hold a wealth of information and want to be actively involved. We care for our Gulf and all things within and around.

Madam Chairwoman, this concludes my testimony. Again, I truly appreciate the invitation and opportunity to provide you and the committee with this information. I will be pleased to respond to any questions.