



## Testimony - Committee on Natural Resources

**RE:** Budget oversight hearing on the “Obama Administration’s De Facto Moratorium in the Gulf of Mexico: Community and Economic Impacts”

**Hearing:** U.S. House of Representatives  
1324 Longworth House Office Building  
Washington, D.C. 20515

Good Afternoon Chairman Hastings, Ranking Member Markey and Committee Members:

My name is Keith Overton. I am the President of TradeWinds Island Resorts located on St. Pete Beach, Florida. TradeWinds is the largest beachfront resort on the west coast of Florida situated just west of Tampa.

As Chairman of the Board for the Florida Restaurant & Lodging Association in 2010, I witnessed Florida’s tourism industry face its toughest challenge since the terrorist attacks of 2001 when the BP Deep Water Horizon oil well blew and much of the Gulf of Mexico was taken over by uncontrolled crude oil. Additionally, as a member of Visit Florida’s Board of Directors, Florida’s advertising and marketing agency, I saw first-hand how difficult it was to combat the negative perceptions that Florida faced throughout that crisis.

Florida’s brand was damaged more than any other time in history. Visitors prior to the oil spill had impressions of Florida that included warm sunshine, blue waters, sugary white sand beaches, fresh seafood and a natural environment like no other.

Florida has spent \$billions over the years to create this imaginary in the minds of its repeat and new visitors.

Tourism in Florida is big business.

- We hosted over 80 million visitors in 2009;
- We captured nearly 17 million vacations taken by Floridians;
- Collectively our visitors spent over \$60 billion on travel last year;
- Generating nearly \$4 billion in sales tax collections;
- What that means is more than 1/5 of Florida’s sales tax dollars are paid by our visitors;
- And it also means jobs;
- Nearly a million Floridians are directly employed in travel and tourism.

By now you are fully aware of the \$billions in damages that Florida’s tourism industry has suffered. The question now is, “when will our industry be made whole on these losses?”

I would like to compliment Ken Feinberg and the Gulf Coast Claims Facility for getting our industry's emergency claims paid in recent months. While this process was not perfect, almost all of Florida's emergency claims have now been paid to affected tourism businesses.

It's no secret that virtually no industry business owner feels that Mr. Feinberg's recent protocol for long-term settlements is fair as it relates to covering our losses into the future. However, based on my recent discussions with Mr. Feinberg, I am very hopeful that he will consider our modeling and forecasting which speaks to our future losses from our perspective, and make the necessary adjustments to his formula. However, I should also point out that failure to modify this methodology (two times the eight months of losses in 2010 equals the long-term claim value) will only result in law suits and a considerable delay in the eventual deployment of these funds.

You should know that I believe Mr. Feinberg and his team continue to work hard toward a mutual resolve. I asked Mr. Feinberg this question just last week, and I would ask each of you to ponder this same question;

“What would this money do in the hands of the business owners, instead of the GCCF?”

- It would create jobs, lots of jobs!
- It would allow us to staff at higher levels and operate with normal buying frequency and expenditure ratios.
- It would provide for much needed capital improvements, subsequently creating more jobs.
- It would provide for redevelopment and new development in many cases, subsequently creating even more jobs.
- We could give our employees pay raises again.
- It would allow many of our employees to afford health insurance again.
- It will flow into the hands of our purveyors and vendors, resulting in even more of all the above.
- We could possibly pay dividends to our investors at levels which might give them the confidence to come off the sidelines and invest in the market again.

There are three other key needs you should be aware of:

1. All of our tourism-based businesses in Florida rely on “bed tax” dollars collected on hotel sales by our counties for marketing and advertising. Without these dollars it is impossible to compete with other states and other destinations domestically and abroad. Our revenue losses extrapolate to significantly reduced bed tax collections and we must make each county whole based on their respective losses. This is critical to our recovery process.
2. The fishing & seafood industries and our wildlife are critical to tourism and Florida's economy. I urge this committee to influence or obtain appropriate funding to restore and maintain the Gulf of Mexico fisheries and wildlife. Whether these funds come from the GCCF or not, NOAA and other key agencies continue to be underfunded in this regard.

3. We must continue to spend money on marketing efforts both domestically and internationally. Each time the media covers a new report published by someone from the scientific or academia communities, the rest of the world is reminded again about the uncertainties surrounding the well-being of the Gulf Mexico, its fisheries, and other natural resources.

Visit Florida still needs more money to advertise our brand as the negative perceptions are simply not gone. I plan to provide you with a follow-up survey to the original Y-Partnership study which was produced in June just after the oil spill. I think the magnitude of the damage to Florida's brand will be made clear in these findings (see the original survey attached).

Lastly, while we all understand the need for less dependency on foreign oil, the risks of more drilling in the Gulf of Mexico need to be seriously considered. Estimates that I continue to read about show at most a "possible" \$500 million economic impact as a result of drilling close in proximity to Florida's shores. These same studies also suggest that near-shore drilling in Florida will have little impact on gasoline prices paid at the pump.

We've seen what devastation one slip-up can bring to Florida's tourism industry, a \$60 billion economic impact to Florida. When you also consider all other segments of Florida's commerce such as fishing, seafood, and real estate, it just doesn't make sense. Drilling exploration off Florida's shores changes our brand and image forever, a brand and image we have spent \$billions to establish over the years.

Thank you very much for the opportunity to speak with you.



*Keith Overton, CHA*  
*President and Chief Operating Officer*  
*TradeWinds Island Resorts*  
*5600 Gulf Boulevard*  
*St. Pete Beach, FL 33706*  
*727-363-2235*  
*Fax: 727-363-2343*  
*[keithoverton@twresort.com](mailto:keithoverton@twresort.com)*  
*[www.justletgo.com](http://www.justletgo.com)*



*Immediate Past Chairman of the Board*  
*Florida Restaurant and Lodging Association*  
*230 S. Adams Street*  
*Tallahassee, FL 32301*  
*[www.frla.org](http://www.frla.org)*



