

**WRITTEN TESTIMONY  
OF  
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PRESIDENT**

**NATIONAL ASSOCIATION OF CHARTERBOAT OPERATORS**

**FOR HEARING**

**ONE YEAR AFTER PRESIDENT OBAMA'S GULF OF MEXICO 6-MONTH  
MORATORIUM OFFICIALLY LIFTED: EXAMINING THE LINGERING  
IMPACTS ON JOBS, ENERGY PRODUCTION AND LOCAL ECONOMIES**

**BEFORE THE  
UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON NATURAL RESOURCES**

**OCTOBER 12, 2011**

Mr. Chairman 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). NACO thanks you and the Members of the Committee for your kind invitation to present testimony on the impact of The Lifting of President Obama's Gulf of Mexico Moratorium and to Examine the Lingering Impacts on Jobs, Energy Production and Local Economies. 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 operating in the Gulf of Mexico. Sadly, we are acutely aware of the devastating impact of the Deepwater Horizon Oil Spill in the Gulf of Mexico and how it has affected the charter boat and commercial fishing industries. I am actively involved in working with Federal, States, BP, and local

representatives on the impacts to charter boat and commercial fishing fleets and their involvement in cleanup, economic recovery, and resource damage assessment efforts.

Charter, commercial, and saltwater recreational fishing is extremely important to the Gulf of Mexico, both economically and socially. According to the recently released preliminary report *Gulf of Mexico Regional Ecosystem Restoration Strategy* by the *Gulf Coast Ecosystem Restoration Task Force* the Gulf Coast and its natural resources are important to the U.S. economy producing 30 percent of the nation's gross domestic product in 2009. The region provides: more than 90 percent of the nation's offshore oil and natural gas production; 33 percent of the nation's seafood; 13 of the top 20 ports by tonnage in the United States; and significant recreation and tourism benefits. The five U.S. Gulf Coast states, if considered an individual country, would rank 7<sup>th</sup> in global gross domestic product. The Gulf Coast region's economy is highly intertwined with its natural resource base, including oil and gas deposits, commercial and recreational fisheries, coastal beaches, and waterways for ports, waterborne commerce, and tourism. Incomplete data presented in this report shows a conservative number of **535,498 JOBS**, either directly or indirectly created by the fishing (charter, commercial, and private recreational) industries of the Gulf of Mexico, making a significant economic input to Gulf communities and the nation. All of these industries depend on a healthy and resilient Gulf.

In Florida alone, the commercial fishing industry ranks 7<sup>th</sup> in total landings at \$169 Million annually and produces 10% of the Gulf's oyster catch, a \$4.5 Million annual dockside value. Florida also leads all states in economic return for its marine recreational fisheries. Recreational saltwater fishing generates over \$5 Billion. In 2008-09, more than

1 Million people bought marine recreational fishing licenses, a third from out of state.

More than 3,400 for-hire (charter boat) fishing licenses were purchased, generating more than \$1 Million and giving Florida one of the largest charter fishing fleets in the world.

As a result of the oil spill, 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 and commercial fishing fleets and communities was enormous.

The future health of our Gulf resources is unknown. The impact on several key fish species vital to all fishermen in the Gulf will not be fully known for several years. Prior to the oil spill key species such as red snapper, king mackerel, and many other reef and pelagic species were dramatically improving and stock abundance was at levels never before seen. Little is known about the 2010 recruitment class and will not be fully known for several years.

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 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.

BP, through Mr. Feinberg's Gulf Coast Claims Facility (GCCF), guaranteed funds to provide those affected by the impacts of the spill compensation for their economic losses.

There is no mechanism to provide any financial assistance after 2012 as Mr. Feinberg and BP assert the Gulf will be back to normal next year. 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 of the spill. 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 and now that the Federal Court action will begin in February 2012 GCCF is dramatically slowing down remaining claims efforts.

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 federal, state, and higher educational facilities, 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 Gulf, state agencies have issued Special Activity Permits to select

charter and commercial boats to legally harvest any fish that appear to have health issues. These fish are then provided to the proper officials to be studied.

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 has been reported that the spill has impacts on sea turtles and marine mammals which can ultimately negatively impact fishermen as these protected species interact with various fishing gears so increased time and area closures are another concern.

Another issue affecting our natural resources is the increased efforts by the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) to remove deactivated oil and gas platforms from the Gulf. The fishing and oil and gas industries have coexisted in the Gulf since the first well was drilled. These platforms provide artificial habitat for a wide array of fish and coral species. Over time they become essential fish habitat and house great numbers of fish. NMFS regulations require species to have sustainable levels of biomass and in many cases species such as red snapper are now at biomass levels never before seen. Since January 2010, over 362 platforms have been removed from the Gulf with over 200 more scheduled for removal over the next 12 months just from Federal waters. The number removed from state waters was not available but is assumed to be over 150. Each platform is home to hundreds of various fish species. In most cases explosives are used to disengage the platform from the bottom which results in massive fish kills and also the deaths of protected species such as turtles and marine mammals. Not only are these species killed and the resource wasted, the habitat is permanently removed reducing critical habitat to sustain the resources. These

platforms should be allowed to remain or at least placed on the bottom to continue to provide the essential habitat for the resources.

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 and

commercial fishing fleets. Cooperative independent research is providing much needed real world data on our fisheries and this effort needs to be 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 BOEMRE of their required removal of deactivated offshore oil platforms.

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 identified as soon as possible.

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

In closing I wish to state that the Gulf charter and commercial fleets were once viable, productive, and a sustainable group of small business owners. We provide a necessary service to individuals who want to fish, consume healthy seafood, and enjoy our natural resources. Over the last 6 years the fleets have struggled and yet continue to survive. The impact from the Deepwater Horizon oil spill was almost the last nail in the coffin. It is imperative that the health and safety of our Gulf be assured. The charter and commercial 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.

Mr. Chairman, 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.