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Testimony on:

*Harnessing American Resources to Create Jobs and Address Rising Gasoline Prices-
Part III: Impacts of Seniors, Working Families and Memorial Day Vacations
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Chairman Hastings, Committee Members, thank you for the opportunity to testify today on the impacts of gas and fuel prices on our industry.

Tourism covers a lot of territory. We see the same negative effects when fuel and gas prices are high, in a downed economy and when we are working through a time of excessively strict fishing regulations. Generally speaking any one of the three issues can make a difference.

When families cannot vacation it affects everything from gas stations and restaurants along the way to the beach, as well as the venues at their would-be destination.

When a family decides to come to the beach, a budget is usually involved. Higher gas prices restrict budgets.

Higher gas prices can reduce the number of days they stay. Reducing the number of days reduces nights in a hotel or condo, meals in restaurants and the day and evening attractions they may visit.

It even reduces the number of souvenirs they buy in gift shops.

For our dinner cruise boat, the fuel price adds to the cost of operations. Higher gas and fuel prices affect our costs of purveyors' goods and services. Depending on how high the prices go, many of them will tack on a surcharge for the delivery of food and supplies and for service calls by repairmen, even on utility bills.

For our large fishing boats, or head boats, the minimum number of passengers it takes to operate increases when the fuel prices are higher. It takes more passengers to pay for the trip. In off-season, when many days are run with a bare minimum of 20 or 22, the trip cannot run due to the increased passenger requirements. In-season, when all is well, these trips are normally full or close to it. In a downed economy or higher gas prices or restrictive fishing regulations, folks will limit the number of days they fish, limit the length of the trip they take. Many will take a shorter, lesser expensive trip to save money.

Our charter boats have it a little tougher than the head boats because they are a higher end product, with the captain and crew catering the trip to the desires of the 4-6 passengers.

Their trips cost about \$500.00 for a 4 hour trip with up to 6 passengers. They use about 50 gallons of fuel per trip. When fuel is \$2/gal. that expense is \$100.00, but when it is \$4/gal. it runs \$200.00 which is quite a bit of what they collected and that, of course, does not include the captain, crew and supplies and all the overhead. If they increase the cost of the trip to compensate, they lose customers, as do the headboats if they add a fuel surcharge.

Last month I was attempting to show the impact of fishing regulations on fuel sales and, in turn, how fishing effort can be substantiated by requesting fuel data from marinas that

service boats that fish. I can show, by the number of gallons of fuel sold at the marina, the difference in revenue collected in a time of high fuel prices, or in a downed economy, or in a time of restrictive fishing regulations. If one of these issues is in play, marina fuel sales are down. Right now, the economy is recovering, but the other two issues are in play. I was attempting to provide another way of showing fishing effort since NMFS researchers are having such a hard time getting the data to look like the reality we see on the water. My premise was, if fishing boats are not buying fuel, they are not fishing, thus fishing effort is reduced. It was dismissed as irrelevant.

We believe answers to the fuel prices being out of sight, and the dependency on fuel from other countries is to allow drilling to continue in the Gulf, to allow refineries to be built, and to allow both in other areas of the country where the people in those states agree that it is a good thing for their state. LA and TX want it. ND and AK want it. It means jobs, good paying jobs. It means less dependency on foreign oil. That to me is a no-brainer. Why are we giving all this money to people who do not even like us, when we can get the job done here? And for less?! And put Americans to work?

You will not find too many, if any, fishermen that do not like the oil rigs due to the good fishing habitat they provide. It takes less than a year for an artificial reef to become 'home' to some of our reef fishes, and it grows from there.

In NW FL, our Chambers of Commerce, and many others of us have said that our area is not good for drilling. We have military bases that need areas offshore to work and we have pristine white beaches and beautiful clear emerald water to swim in. We need to protect that Natural Resource the Lord has provided.

We will always have the potential threat of something like we saw last summer with BP as long as there is drilling, or oil tankers traveling the Gulf. But we believe the cause of that accident was due to human error, people not keeping watch, making sure the safety protocols were in place. That definitely needs your attention, but to put all those people out of work because a few people were greedy and not keeping their equipment safe, and those responsible for inspections not keeping watch? No. Punish those who have done wrong, and let's get folks back to work.

We don't stop building condos if the building inspector overlooked fire hazards or improper building materials and a condo has a fire or, worse collapses because the contractor cut corners. We require they resolve the problem, make things right with those affected, and let the responsible builders continue to build.

I think drilling can be looked at in the same manner.

Thank you.