

**Testimony, Governor Haley Barbour**

**June 2, 2011**

**House Committee on Oversight and Government Reform**

Thank you Chairman Issa, Ranking Member Cummings, and Members of the committee, for inviting me to speak today regarding Mississippi's experience and continuing response to the Deepwater Horizon Oil Spill.

With Hurricane Katrina's utter devastation in Mississippi and each disaster since then, Mississippi has proven repeatedly that we can respond to disasters and the needs of our citizens in an expeditious, effective and compassionate manner. In 2010 and again this past April, when our state was struck by devastating tornados, state agencies were on-site within hours to assist the local responders and volunteers. Since the beginning of May, we have had eight state agencies embedded with our local responders assisting with the historic flooding of the Mississippi River and its tributaries. Our state's goal is to be prepared to save lives, prevent property loss, mitigate suffering and return impacted areas to normalcy as quickly as possible. When federal assistance is needed, it must be in concert with state and local officials. The Stafford Act states federal disaster assistance is to supplement the efforts of the state, not supplant them or the state's authority.

Mississippi's response to the BP Oil Spill was a team effort. Immediately after the leak was discovered on April 24, I ordered the Mississippi Departments of Environmental Quality (MDEQ) and Marine Resources (MDMR) to serve as the lead response agencies with Mississippi Emergency Management Agency (MEMA) and the Mississippi National Guard as

support and resource agencies. Local governments were included in planning and response. We joined a Unified Command with the federal government and BP.

The state immediately developed a layered defense plan, which was to (1) try to contain or pick up as much oil as far from Mississippi's coastline as possible; (2) if oil did approach, to skim it before it reached our barrier islands; (3) should oil reach our barrier islands, to try to contain it there by defending the relatively narrow gaps between the islands and letting the islands collect product on the sand beaches (nearly 180 miles of boom were deployed in Mississippi waters) (4) should oil make it through the passes, to try to skim it, steer it, or contain it in the Mississippi Sound; (5) should oil reach our mainland, to try to contain it with boom, steer it to our sand beaches, or skim it to prevent it from reaching our sensitive and critical marshes and wetlands, which serve as nursery areas for our marine species (shrimp, crabs, finfish, and plant species); and (6) to try to defend the critical marshes and wetlands and, if oil intrudes into them, to clean it up and remove it as soon as possible. Similarly, our plan was to clean up whatever oil product reached our beaches as soon as possible, hopefully the same day it was discovered.

Unified Command, led by the U.S. Coast Guard and BP and involving the National Oceanic and Atmospheric Association (NOAA) and the Environmental Protection Agency (EPA), set up the Florida, Alabama and Mississippi Command Center in Mobile, AL, and personnel from MDEQ, MDMR, and MEMA participated in that Command Center. Unified Command was responsible for securing boom and skimming vessels and

allocating these assets across the region. Unified Command reviewed Mississippi's plan and concurred that Mississippi, with its barrier island configuration, is uniquely set up to effectively defend itself against intruding oil if adequate defense assets are in place. In this case, oil skimming assets are the primary means of defense. Mississippi was assured that should oil approach Mississippi waters, adequate skimming assets would be made available.

When Mississippi was first impacted by oil in early June on Petit Bois Island, it was obvious the Unified Command surveillance and defense capabilities fell far short of meeting the Mississippi protection plan objectives. We found several major flaws with the multi-state response attempt out of Mobile – communications in the Gulf among vessels and between vessels and aerial assets was poor; the time it took to approve Mississippi National Guard mission requests for oil surveillance was as long as two weeks; and skimming assets for the area off the Mississippi Coast were woefully inadequate. One example of note: the Mississippi Air National Guard has a reconnaissance airplane capable of taking still photos and full-motion video. This plane became one of the most useful assets in the detection and subsequent skimming of oil. Rear Admiral Zukunft, the FOOSC in New Orleans, called the aircraft “a game changer” and “worth its weight in gold” during his daily operations briefing on July 17. Yet, it took almost three weeks from the time we requested funding approval of the aircraft to the actual approval date of May 24.

Mississippi brought the command situation to a head in June after a series of events made it necessary. Our team and BP had been recruiting “Vessels of

Opportunity”, known as VOOs, to locate oil in Mississippi waters, beginning out beyond the barrier islands. By this time, we had hundreds of VOOs on patrol every day so we could execute our layered defense plan.

In early June, twice over a several day period, depleted oil product in significant amounts reached one or both of the eastern barrier islands, without having been reported, much less contested.

From these two instances we learned the Coast Guard had no way of communicating with the VOOs, as there was no command and control communications system for them.

At that point the Coast Guard acceded to our demand that a command center be set up in Biloxi, Miss., still reporting to Mobile, but with authority to act in Mississippi waters.

Working with the Coast Guard and the National Guard we set up a communications system for and with the VOOs, which were organized into manageable units or squads of several vessels, each with a Coast Guard or National Guard leader on the squad’s lead vessel. Every VOO was given a radio and was, therefore, under the command and control of Unified Command.

Multiple flying missions of National Guard fixed wing aircraft and helicopters were integrated into surface patrolling, and the state’s interoperable communications system allowed the aircraft to talk to not only

the Mobile and Biloxi command centers but also to the VOO squads in the water. This provided a quantum leap in the effectiveness of our picket lines and allowed quicker movement of skimmers to oil in the water, wherever it was found. This system worked well, particularly after we acquired enough skimming vessels to remove the oil product, especially in the passes and the Sound.

As oil entered Mississippi waters, Mississippi requested skimmers but few were found. We moved to secure our own skimming vessels, which we did.

The State of Mississippi, through funds made available by BP, purchased skimming vessels from two Mississippi ship yards. Only one yard fully delivered, but we were able to control the vessels and use them to skim oil material threatening our state.

Oil that reached Mississippi had traveled about 100 miles in warm water and was degraded to the point of being an emulsion of water and chemically and biologically degraded oil, as most of light cuts of the crude oil, the dangerous parts were gone, either evaporated or broken down by the microbes present in the spill area because of natural seeps of oil in the Gulf. These microorganisms had the ability to metabolize the oil as an energy source. It should be noted the Gulf of Mexico has large amounts of crude oil seep into it through the floor every year. The amount of seepage is estimated at 250,000 to more than 1 million barrels a year.

Oil that actually reached Mississippi's barrier islands and mainland beaches was degraded to the point of "tar balls" or "tar patties," more like asphalt

than crude oil. These materials were of little real danger to people or marine plants and animals. Relatively little of this material reached Mississippi beaches, and BP contractors cleaned it from Mississippi mainland beaches quickly.

Let me state here that our situation was very different from that of Louisiana. Louisiana was much nearer the well site, so wet, brown oil came ashore in their state. We had mousse and tar balls and patties, which are much easier to deal with and generally non-toxic. While some oil product reached Mississippi's shoreline, in every case but one, the product was cleaned up and removed from the beaches the same day. In only one instance was a beach closed, and that was for only two days because oil product got across the road through a culvert.

The Stafford Disaster Relief and Emergency Assistance Act defines a major disaster as, "any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm or drought), or, regardless of cause, any fire, flood or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby." A key part of this definition is that the Act mandates that all federal response activities are to supplement the efforts of the state and not to usurp the actions of the state. The sovereignty of the state is at all times respected as is the authority of the Governor. For any

major disaster, the tenets of the Stafford Act, as well as those of the National Response Framework, should be adhered to. The language of the Oil Pollution Act of 1990 and the National Contingency Plan for oil spills should be revised to be consistent with the National Response Framework.

The Oil Pollution Act of 1990 was written after the Exxon Valdez incident and probably would have worked well in any similar incident as seen in Prince William Sound, which involved one state. However, for an incident involving multiple states in two different FEMA regions, the OPA does not support disaster response operations adequately. All disasters are local. OPA should be reviewed accordingly.

BP hired numerous contractors to do clean up. They generally hired local (in-state) contractors, who did a good job. State and local officials worked with the contractors, and BP generally had their contractors do what state and local government officials requested.

All of the scientific data and information to date provides very compelling evidence that seafood from the Gulf is the same high quality it has always been. MDMR and MDEQ have collected and analyzed some 1,000 samples of fish tissue, shrimp and oysters from state waters and not a single sample has been found to contain any level of crude oil components anywhere near United States Food and Drug Administration (FDA) or EPA levels of concern. We are told the same results have been obtained in the thousands of samples collected by the federal agencies.

While we and many others will continue to monitor and analyze events and readings from the Gulf to learn if some currently unrecognized or future development changes the situation, it appears the Gulf has essentially digested the oil and other chemicals thus far. Further, in our state, on-shore impacts were quickly remediated, and there is no apparent residual environmental damage. Our barrier islands, managed by the National Park Service, have some oil remnants on the beaches of the islands because the Park Service chose to use different clean-up techniques than we did on shore.

The BP Oil Spill was an economic catastrophe for Mississippi. Its negative economic impacts were greatest in tourism (including hotels, restaurants, recreational fishing, water sports, etc), commercial fishing and processing, and oil field employment and services. Some of these damages were mitigated by BP clean-up efforts, the VOO program and maintenance on rigs kept from drilling in the Gulf. Additionally, real estate values and activity were greatly reduced as a result of the spill and the media coverage of it. Mississippi's summer season, the largest for tourism on the Gulf Coast, begins in early-to-mid-May and continues through Labor Day. The April 20 oil spill came at the worst possible time for tourism.

The damage to tourism came from the news coverage of the event, especially on 24-hour cable news television. Every hour of every day for weeks, television viewers were shown video of oily marshlands, oil-covered pelicans and other birds and wildlife, etc., and the viewers deduced that the beaches and waters of the entire Gulf Coast were coated in oil. They



inferred it would be unsafe and/or unpleasant to visit the Gulf Coast areas of Mississippi, as well as Alabama, Florida and Texas. It was so bad President Obama agreed to visit the beaches to show they were clean and the water clear. We appreciate his trying, but one news story can't compete with weeks of hourly depictions.

The other major economic impact resulted from the moratorium on drilling. It not only cost jobs in all the Gulf States, it hurt the economy nationally by reducing domestic oil production. We consider the shut-down of Gulf drilling a serious mistake for the country as well as our states.

Our country's energy security is at stake here. The Gulf of Mexico provides approximately 30 percent of U.S.-produced crude, with deep-water wells responsible of 80 percent of total Gulf production. In the 13 months following the spill, deep water permits are down 66 percent. This will have a lasting impact on an already out of balance oil trade deficit, great jobs are lost.

Mississippi did not look at the BP disaster as a windfall. Our goal has been to get the help the people of Mississippi needed and deserved to get their lives back in order. That included making sure that claims submitted from Mississippi were fair and accurate and were treated fairly by BP or the GCCF.

The Mississippi Department of Employment Security realized that not all citizens impacted by the oil spill were eligible for Unemployment Insurance (UI) benefits. Many small businesses including commercial fishermen are

self-employed and do not pay into the UI system. People who depend solely on summer employment may not have had enough wages to qualify for benefits, and they were affected when tourists stayed away from the Mississippi Gulf Coast. The goal of Mississippi was to ensure everyone who qualified, received UI benefits related to the oil spill and that the others filed claims with BP.

There actually was a spike in employment in Biloxi/Gulfport and Pascagoula for a couple of months after the spill, largely due to local workers being hired to do the clean-up efforts. Then a spike in the number of jobs lost followed for a couple of months after that. During the clean-up period, MDES referred 6,426 individuals for BP clean-up jobs through our online job portal, 1,370 of whom were placed in these temporary jobs. MDES worked closely with BP and its contractors to make sure that as many Mississippi residents as possible were selected for these jobs

The Tourism industry is vital in the economic well-being of the state:

**Fiscal Year 2010 numbers**

- Visitor Expenditures are **\$5.5 Billion**
- Travel and Tourism employment is more than **78,000**
  
- More than **\$415 million** are collected in Travel and Tourism state tax revenues/fees, which equates to Travel and Tourism contributing \$353 million to state's general fund.
  
- Mississippi's Gulf Coast tourism accounts for nearly one-third of those numbers.
  
- I share those numbers to reiterate the importance of the industry and how critical it is to sustain travel and tourism during natural and man-made disasters and crisis.

The Mississippi Coast was negatively impacted economically particularly right at our key summer season 2010. There are certain industry sectors and tourism employees such as charter fishing, beach related vendors, the seafood industry and water-related businesses (like Captain Skermetta's – Ship Island Excursions) that took the brunt of the oil spill disaster's effect on tourism and have been hurt economically worse than other industry sectors.

The overall tourism numbers have been better than we initially feared they would be because of the oil spill. Reality though is – the question is – what would the numbers have been if we hadn't had this disaster. The first quarter of 2010 indicated a promising comeback. We don't know that we will ever be able to quantify what would have been.

In order to combat the loss of visitors, the Visit Mississippi Coast campaign, funded by BP, was a multi-platform integrated campaign that provided many different components to share with the consumer the diversity of the travel experiences offered on the Mississippi Gulf Coast. It was the goal of the campaign to highlight from one end of the Coast to the other the many offerings from gaming, golf, shopping, dining, entertainment and cultural heritage attractions. The Mississippi Coast has this diversity and isn't solely dependent on the beach vacationer who wants to spend four-to-six days focused on beach activities.

We are approaching the summer season with a bit of uncertainty because of lingering negative perceptions of the spill, rising gas prices and now the

floods at our Mississippi River destinations but are looking at extended campaigns in 2011 and 2012 due to a recent three-year grant provided by BP. We are counting on the marketing campaigns to be effective and bring Coast tourism back and growing.

We continue to work with our neighboring states to obtain funds to aid in our recovery through Clean Water Act fines. Such funds would be provided by BP and any other responsible parties through a settlement between the federal government and BP. The funds negotiated through the National Resource Damage Assessment, or NRDA, may only be used for environmental and loss-of-use impacts. While we appreciate those funds, our main damage from the oil spill was economic. I'm not here to speak for the other states, but – with the possible exception of Louisiana – I expect that's true for them, too. Recovery of our economic damages can be addressed by the fines to be paid by BP and any other responsible parties as provided for in the Clean Water Act. I urge you to support our states' delegations and others to draft a legislative solution to allow the damaged Gulf States to be made whole by an appropriate division of these fines among the affected states and sufficient flexibility to the individual states to expend these monies in the most effective ways to rebuild their coastal economies.