Gulf of Mexico Seafood Landings by Species & Geographic Area after the 2010 Oil Spill

and Equitable Compensation from the Seafood Compensation Program

A study funded by and conducted for

Gulf Organized Fisheries in Solidarity and Hope (GO FISH)

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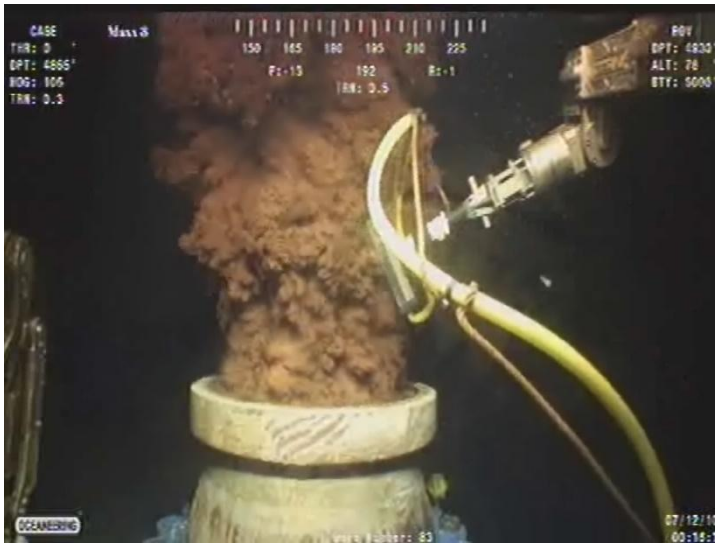
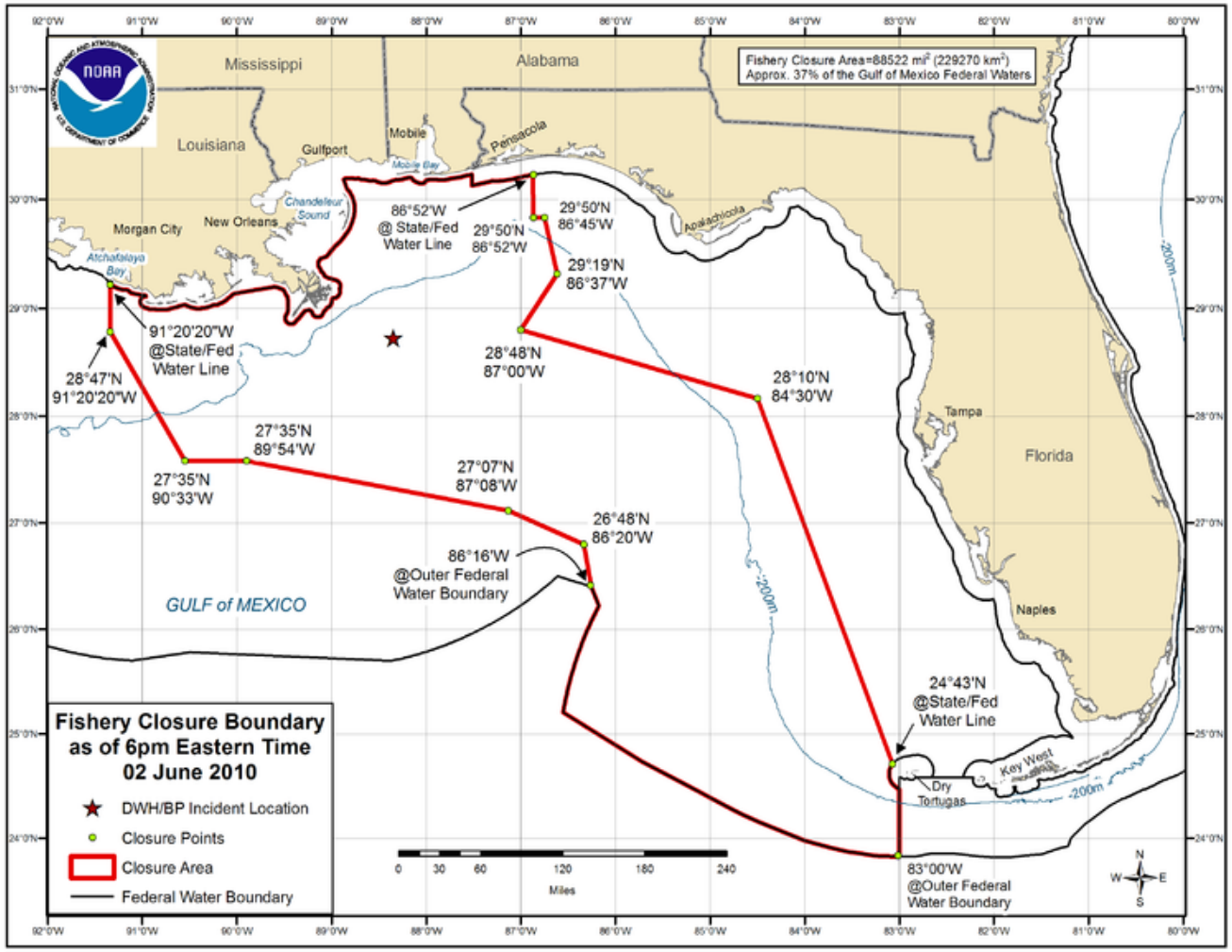
Southeastern Louisiana University
Business Research Center

The Deepwater Horizon offshore oil drilling rig was destroyed by an explosion and fire on April 20, 2010.

The damaged Macondo well leaked an estimated 200 million gallons of oil over the next 87 days, before being successfully capped on July 15, 2010.





The peak amount of Federal waters closed to fishing occurred on 6/2/2010, when almost 89,000 square miles, or 36.6 percent of all Federal waters in the Gulf of Mexico, were closed.

Impacts on Commercial Fisheries

Immediate

- Closures

Longer term

- Impacts of oil and dispersants on populations, reproduction, and growth of various species
- Impacts of freshwater diversions by the State of Louisiana on populations, reproduction, and growth of various species

From the Seafood Compensation Program Document 6430-22: Exhibit 10

"In the event there are Seafood Compensation Program Amount funds remaining, such funds *will be distributed to claimants that received compensation from the Seafood Compensation Program*. The balance will be distributed to each Claimant in proportion to the Claimant's gross compensation expressed as a share of the gross compensation paid by the Claims Administrator to all claimants under the Seafood Compensation Program.[4] Gross compensation reflects compensation paid by the Claims Administrator prior to deduction for Seafood Spill-Related Payments.

If, however, the Court-appointed Neutral determines that a distribution other than purely proportional would be more appropriate in light of the information available at the time of the second distribution, he may recommend to the Court that the second distribution be reallocated in an alternative fashion.

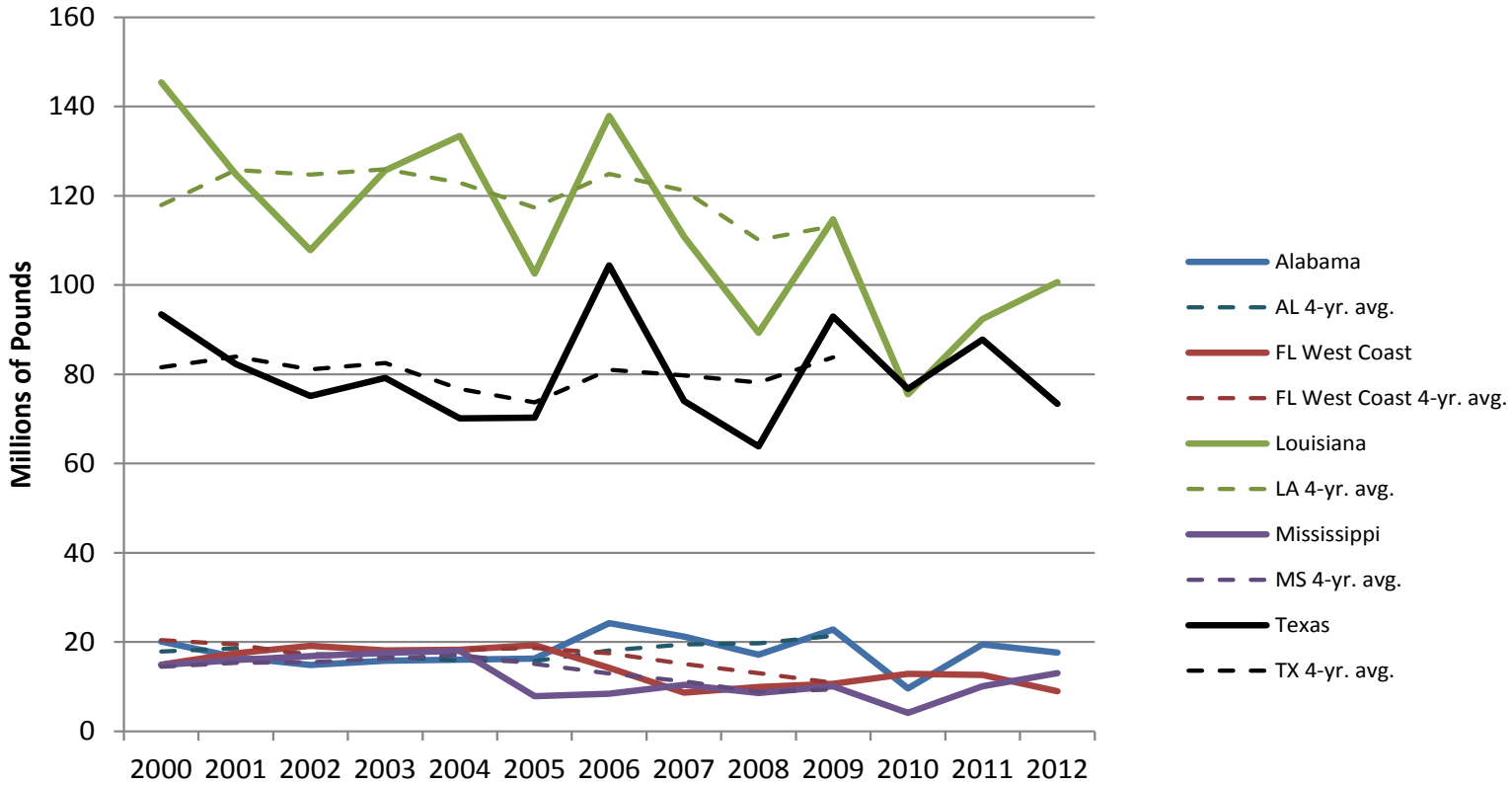
Any such reallocation will be subject to court approval."
(*italics* and **bolding** mine)

The study sought to:

1. present and analyze the landings of various species in the five Gulf states (Alabama, Florida, Louisiana, Mississippi, and Texas) pre- and post-spill,
2. compare and contrast the estimated impacts on landings between the states and between various basins within Louisiana,
3. utilize these estimated impacts by species and area, combined with analysis and scenario-modeling already done by GO FISH, to analyze the equitability of first-round payments from the Seafood Compensation Program (SCP), and
4. propose modifications for Round 2 SCP payments to remedy any inequalities discovered in Step 3 (if necessary).

SHRIMP

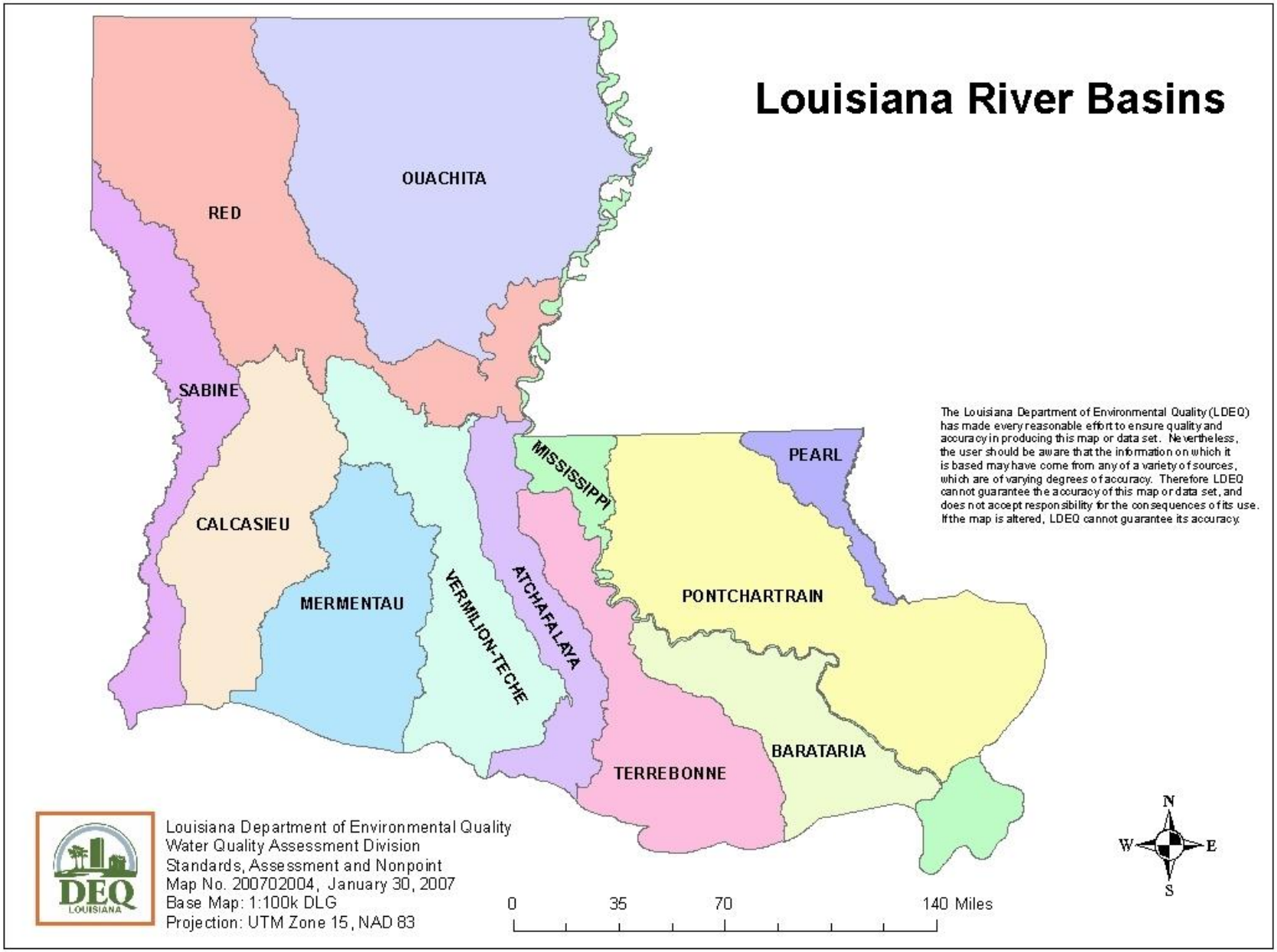
Figure 5. Commercial Shrimp Landings by State



Source: 2000-2011: NMFS Commercial Fisheries Statistics web site as of March 2013.
2012: Gulf States Marine Fisheries Commission website as of 6/5/2013, except TX = 7/19/2013..
These are commercial landings as reported by Gulf states to NMFS and/or GSMFC. They do not include commercial landings kept for home consumption or recreational landings.

Table 8. Estimated 2010-2012 commercial shrimping net revenue losses.

State	2010	2011	2012	Total by State	% of Total Losses
Louisiana	$ 24,697,680	$ 3,633,872	$ 8,193,675	$ 46,525,227	53.0%
Texas	$ 7,057,744		$10,429,169	$ 17,486,913	19.9%
Alabama	$ 11,501,891	$ 1,821,805	$ 3,682,879	$ 17,006,575	19.4%
Mississippi	$ 4,451,887			$ 4,451,887	5.1%
Florida West Coast			$ 2,353,978	$ 2,353,978	2.7%
Totals	$ 47,709,204	$15,455,677	$24,659,700	$ 87,824,581	100.0%


Louisiana River Basins
OUACHITA
RED
SABINE
CALCASIEU
MERMENTAU
VERMILION-TECHE
ATCHAFALAYA
MISSISSIPPI
PEARL
PONTCHARTRAIN
TERREBONNE
BARATARIA
The Louisiana Department of Environmental Quality (LDEQ) has made every reasonable effort to ensure quality and accuracy in producing this map or data set. Nevertheless, the user should be aware that the information on which it is based may have come from any of a variety of sources, which are of varying degrees of accuracy. Therefore LDEQ cannot guarantee the accuracy of this map or data set, and does not accept responsibility for the consequences of its use. If the map is altered, LDEQ cannot guarantee its accuracy.
DEQ
LOUISIANA
Louisiana Department of Environmental Quality
Water Quality Assessment Division
Standards, Assessment and Nonpoint
Map No. 200702004, January 30, 2007
Base Map: 1:100k DLG
Projection: UTM Zone 15, NAD 83
0
35
70
140 Miles
N
W
E
S

Gulf of Mexico Offshore Grid Blocks (Federal waters)

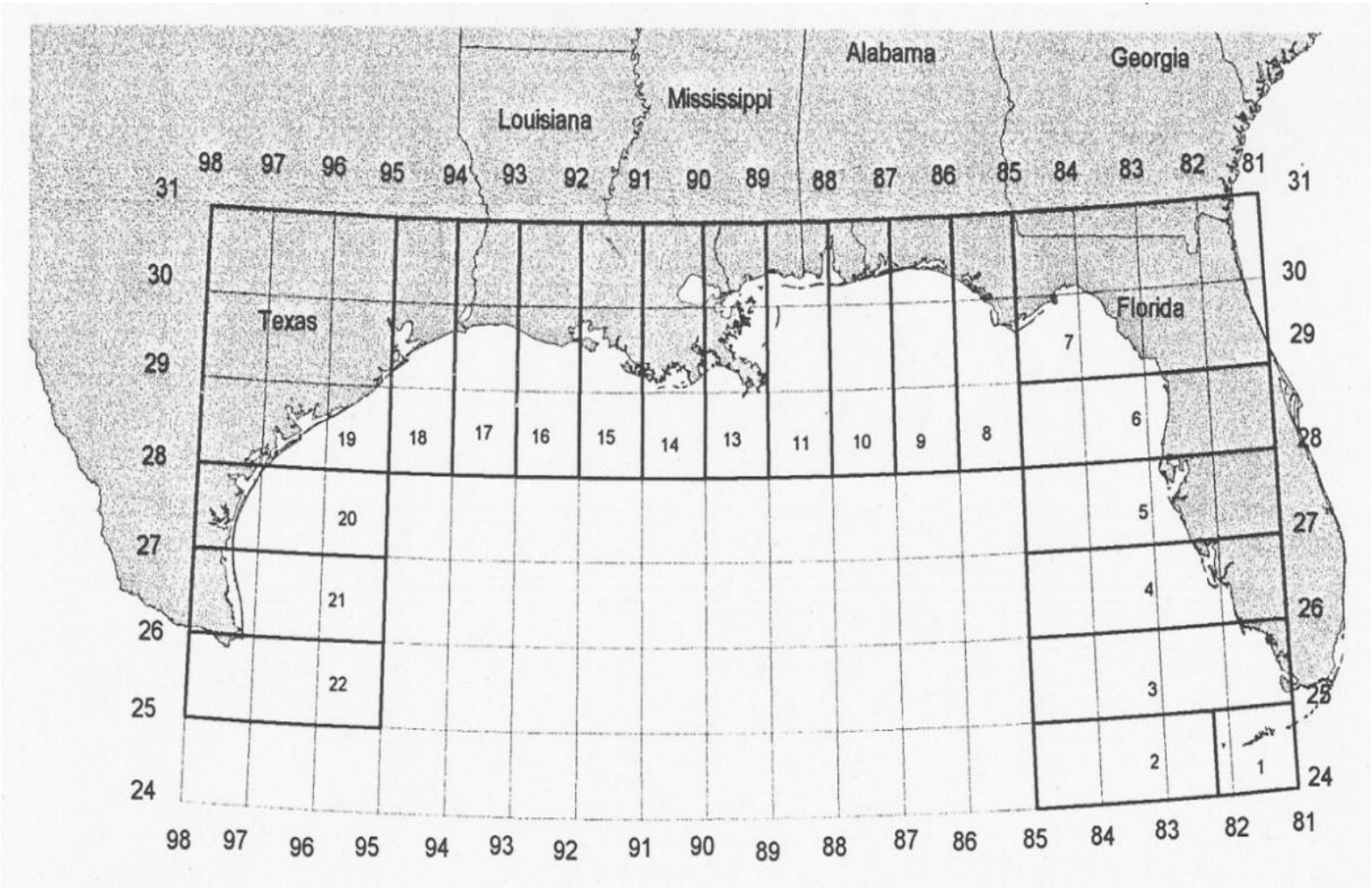
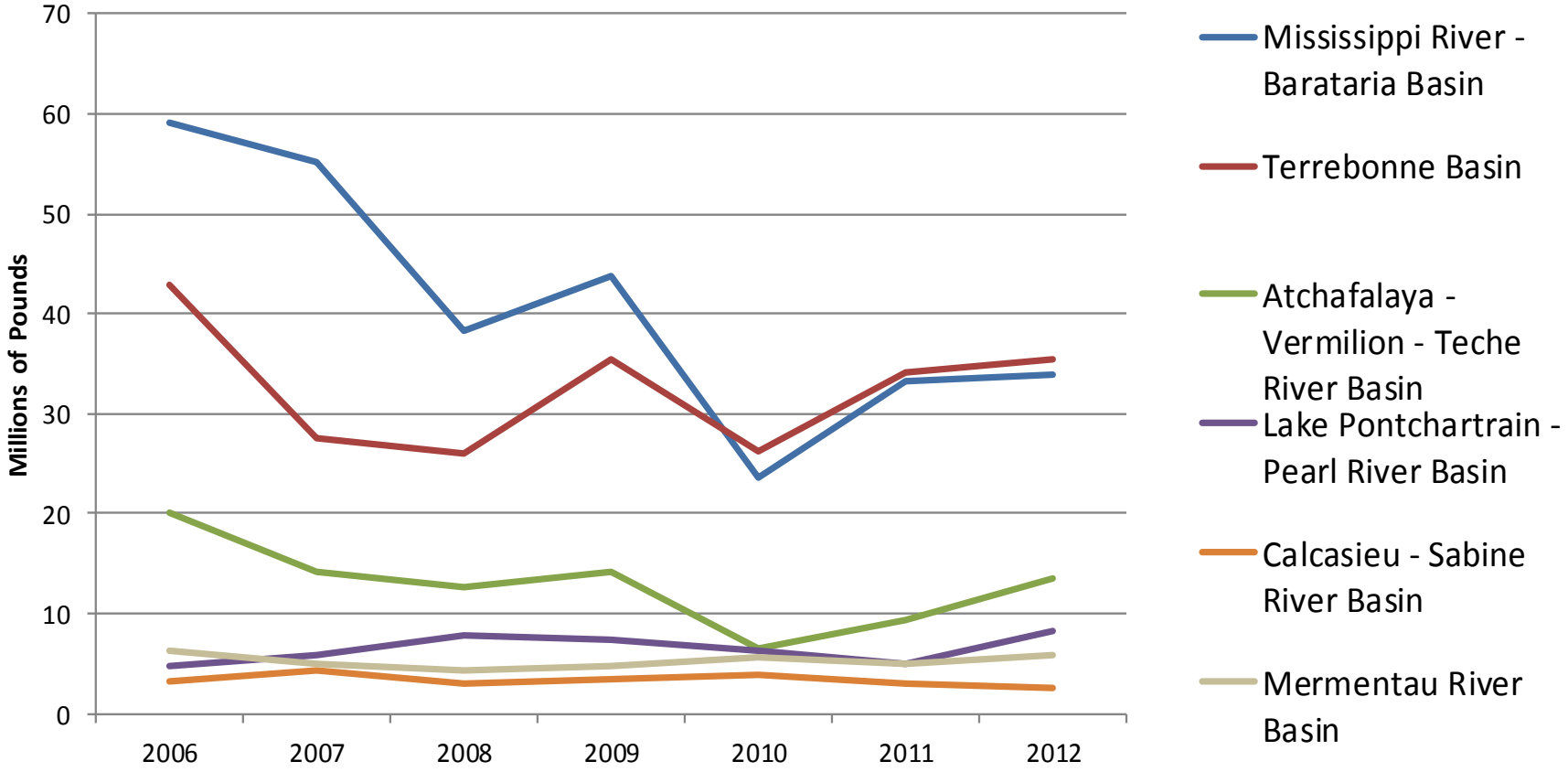


Table 10. Louisiana commercial landings of brown + white shrimp by basin.

Basin	2006-09 Average Landings (lbs.)	2010 Landings	% Diff. 2010 vs. 2006-09 Average	2011 Landings	% Diff. 2011 vs. 06-09 Avg.	2012 Landings	% Diff. 2012 vs. 06-09 Avg
Miss. River - Barataria	49,082,550	23,661,184	-51.8%	33,304,212	-32.1%	33,788,712	-31.2%
Terrebonne	32,987,792	26,186,204	-20.6%	34,163,756	3.6%	35,373,193	7.2%
Atchaf-Verm-Teche River	15,223,968	6,561,498	-56.9%	9,272,830	-39.1%	13,460,712	-11.6%
Lake Pont. - Pearl River	6,463,002	6,187,274	-4.3%	5,047,772	-21.9%	8,269,836	28.0%
Mermentau River	5,086,815	5,545,480	9.0%	5,065,117	-0.4%	5,863,813	15.3%
Calc.- Sabine River	3,472,230	3,785,987	9.0%	2,977,325	-14.3%	2,449,820	-29.4%

Source: Gulf States Marine Fisheries Commission. Commercial landings reported through Louisiana trip-ticket program. No recreational landings or commercial landings kept for home consumption included.

Figure 8. Louisiana Commercial Brown + White Shrimp Landings by Basin: Line Chart



Source: Gulf States Marine Fisheries Commission. Commercial landings reported through Louisiana trip-ticket program. No recreational landings or commercial landings kept for home consumption included.

Summary of Estimated Foregone Net Revenue from Commercial Shrimping: 2010-2012

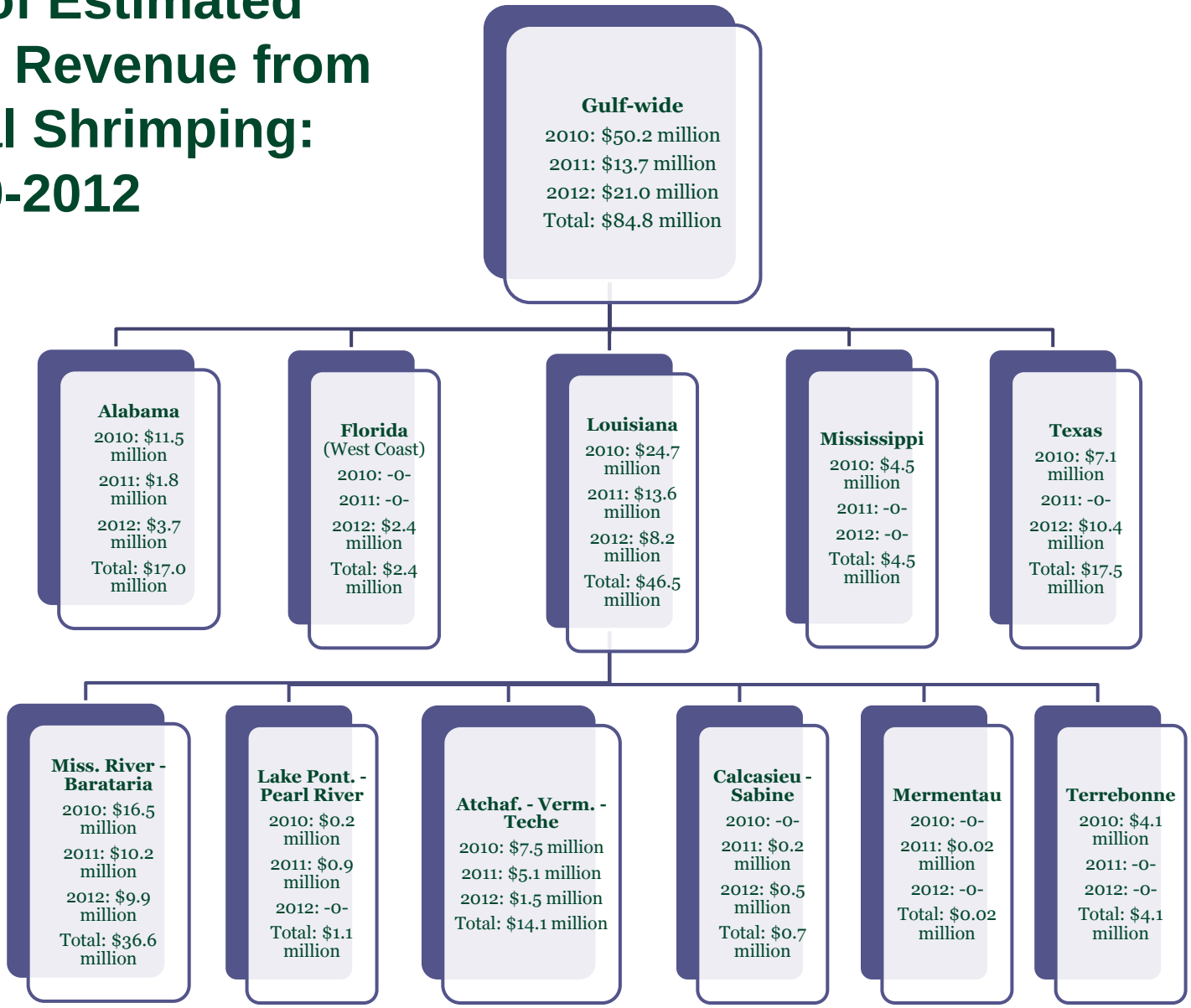
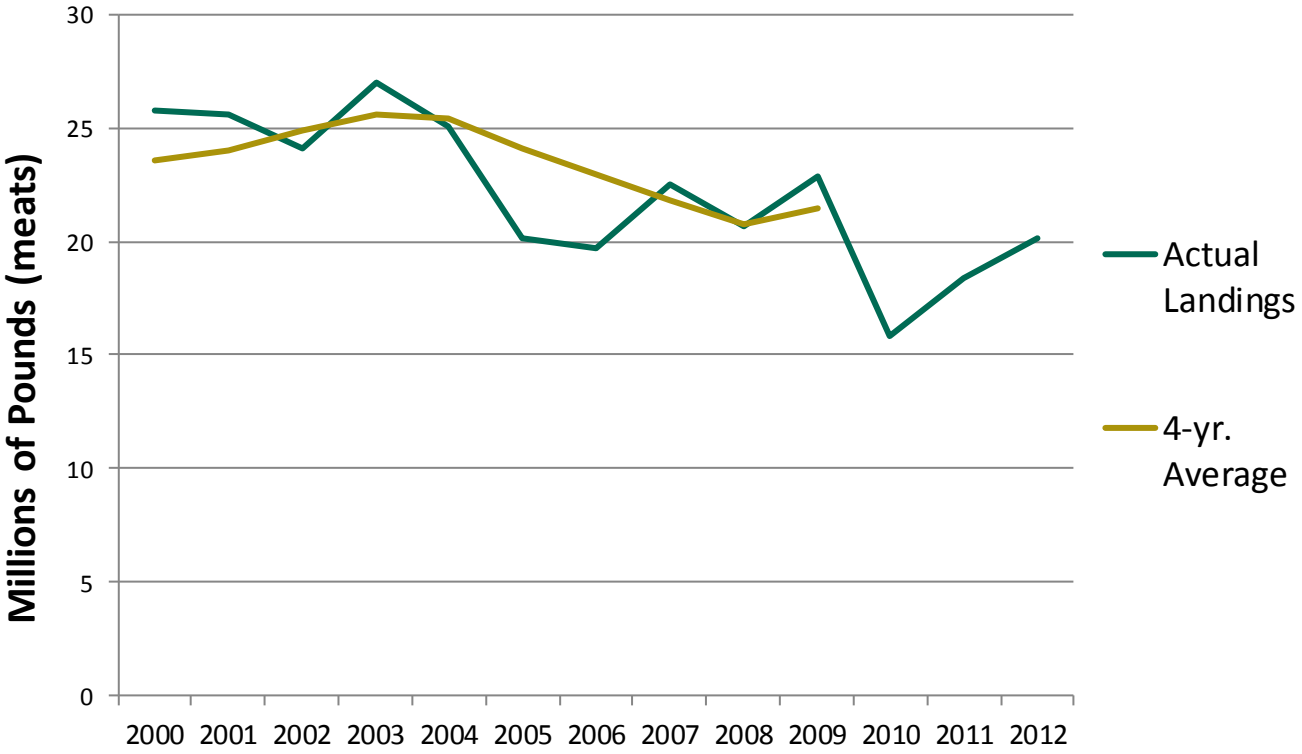


Table 16. 2010, 2011, and 2012 total basin volume of commercial shrimp landings, number of trips, and landings per trip vs. 2006-09 avgs.

(Sources: Number of trip tickets – LDWF; Volume of landings – GSMFC)

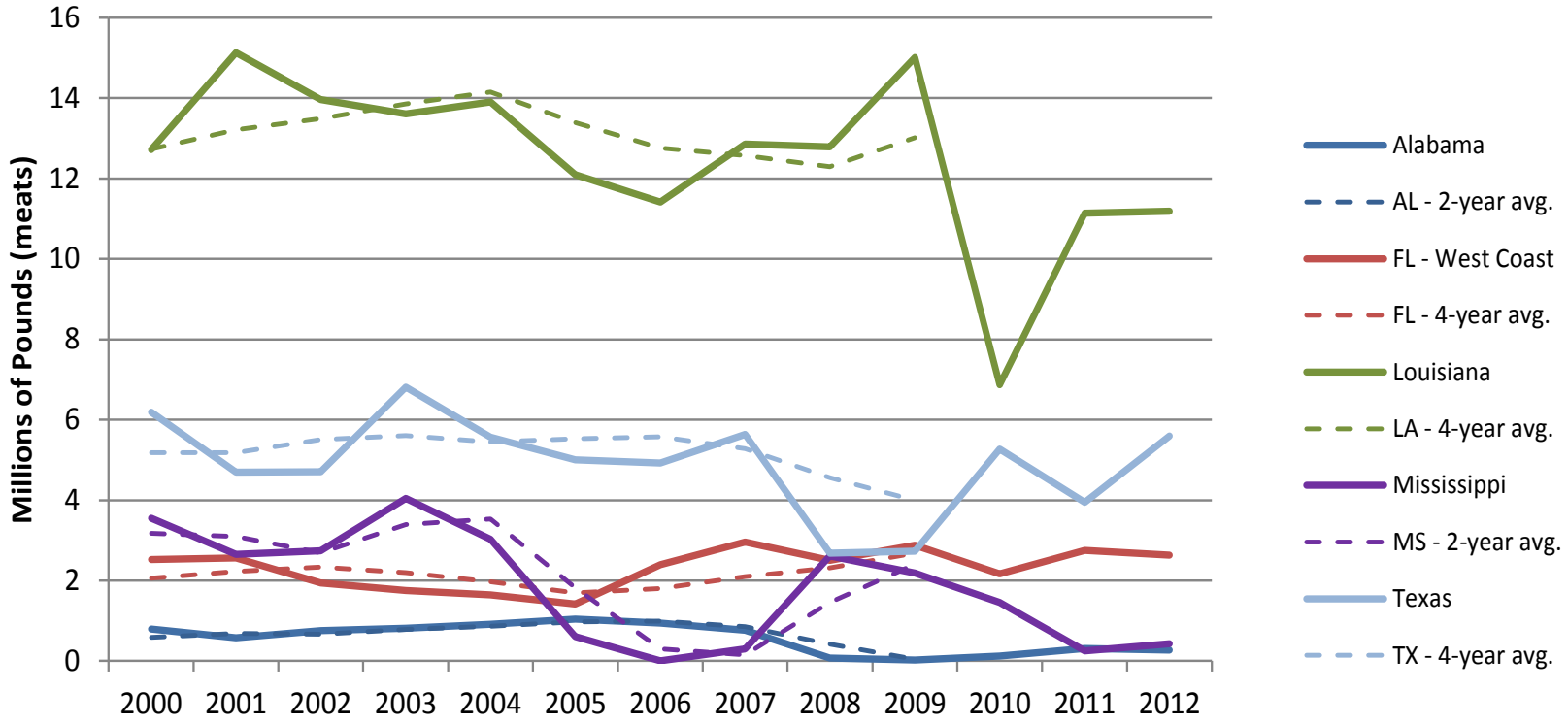
	Volume Landed			Number of Trips			Landings/Trip		
Basin/Grid	2010	2011	2012	2010	2011	2012	2010	2011	2012
Terre./ Grid 14	79%	104%	107%	89%	105%	98%	89%	98%	109%
Miss. River – Bara./ Grid 13	48%	68%	69%	51%	92%	85%	96%	74%	82%
Lake Pont. & Pearl River	96%	78%	128%	89%	113%	143%	104%	67%	87%
Calc. - Sab/ Grid 17	109%	86%	71%	116%	95%	80%	94%	90%	88%
Verm. - Teche/ Grid 15	43%	61%	88%	97%	95%	97%	44%	64%	91%
Merm./ Grid 16	109%	100%	115%	75%	91%	99%	135%	101%	108%
Overall	64%	80%	88%	76%	99%	96%	84%	81%	92%

OYSTERS



Sources: 2000-2011: NMFS Commercial Fisheries Statistics web site as of March 2013.
2012: Gulf States Marine Fisheries Commission website as of 6/7/2013.
These are commercial landings as reported by Gulf states to NMFS and GSMFC. They do not include commercial landings kept for home consumption or recreational landings.

Figure 12. Commercial Oyster Landings by State: 2000 - 2012

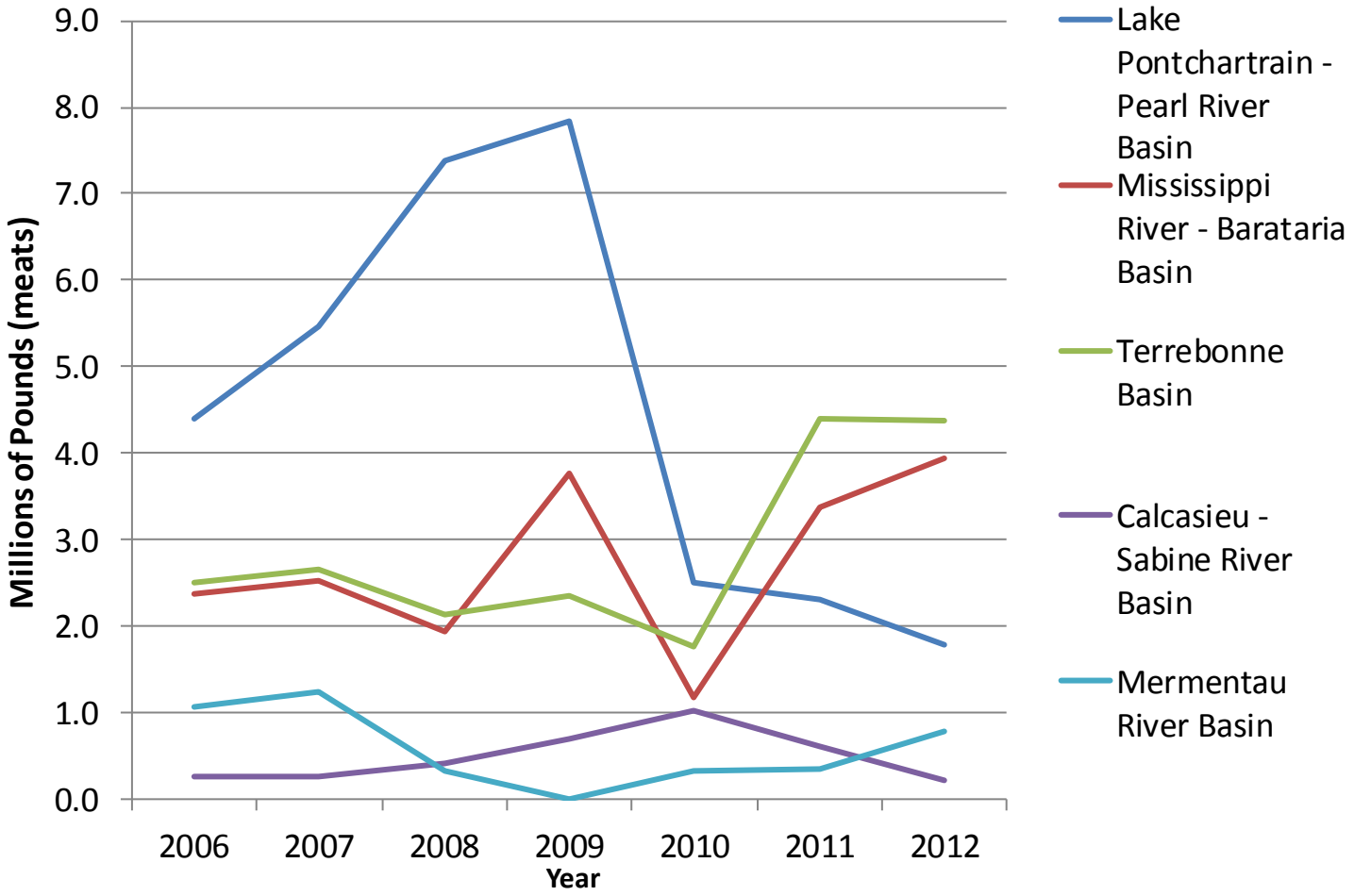


Sources: 2000-2011: NMFS Commercial Fisheries Statistics website as of March 2013.
2012: Gulf States Marine Fisheries Commission website as of 6/7/2013.
These are commercial landings as reported by Gulf states to NMFS and GSMFC. They do not include commercial landings kept for home consumption or recreational landings.

Table 23. Cumulative estimated 2010-2012 commercial oyster net harvest revenue losses in impacted Gulf states
(combined harvester & leaseholder losses, in millions)

State	2010	2011	2012	Totals	% of Total
Louisiana	$17.2	$5.3	$5.1	$27.7	67.5%
Mississippi	$2.3	$5.1	$4.7	$12.1	29.4%
Florida	$1.0	-0-	$0.1	$1.1	2.8%
Texas	-0-	$0.1	-0-	$0.1	0.2%
Totals	$20.5	$10.5	$9.9	$41.0	100.0%

Figure 13. Louisiana Commercial Oyster Landings by Basin : Volume



Source: Gulf States Marine Fisheries Commission. Commercial landings reported through Louisiana trip-ticket program. No recreational landings or commercial landings kept for home consumption included.

Table 28. Cumulative estimated 2010-2012 commercial oyster harvester net dockside revenue losses by basin

Basin	2010	2011	2012	Totals	% of Total
Lake Pont. - Pearl River	$ 8.2	$ 8.1	$ 8.4	$24.8	83.5%
Mississisippi River - Barataria	$ 3.3			$3.3	11.2%
Terrebonne	$ 1.1			$1.1	3.6%
Calcasieu – Sabine River	$ 0.5			$0.5	1.7%
Totals	$12.6	$ 8.1	$8.4	$29.7	100.0%

Table 30. Estimated 2010-2012 oyster leaseholder foregone revenue (in millions) in three impacted Louisiana basins using 2006-2009 average basin market prices.

Basin	2010	2011	2012	Totals	% of Total
Lake Pont. - Pearl River	$ 3.0	$ 3.6	$ 4.8	$ 11.3	87.6%
Mississippi River - Barataria	$ 1.2			$ 1.2	9.3%
Terrebonne	$ 0.4			$ 0.4	3.1%
Total	$ 4.5	$ 3.6	$ 4.8	$ 12.9	100.0%

Summary of Estimated Foregone Net Revenue from Commercial Oyster Harvests: 2010-2012

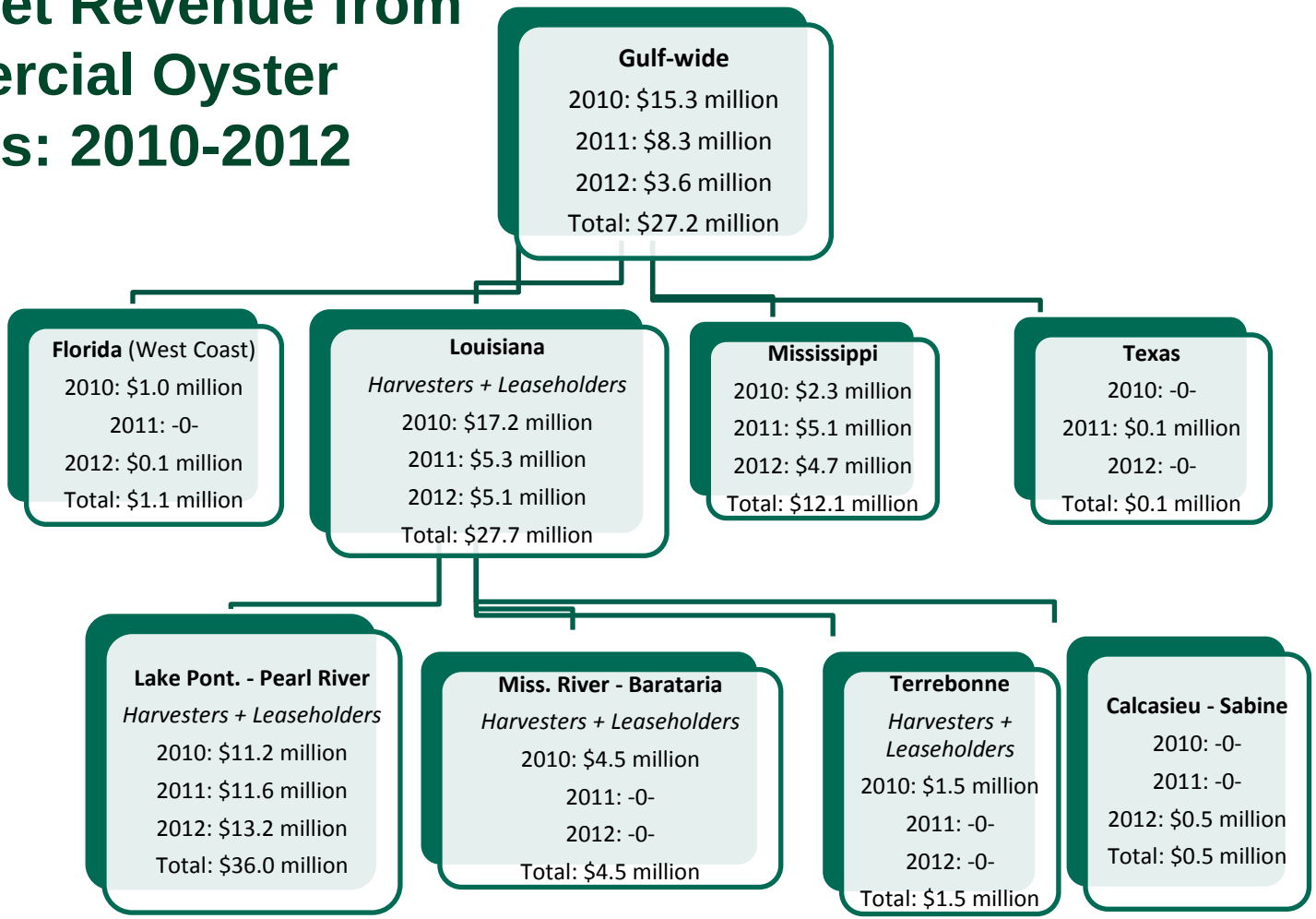


Figure 17. SCP Oyster Leaseholder Compensation Zone Map: Southeast Louisiana

Table 31. Potential SCP Oyster Leaseholder Property Damage Compensation based on March 2013 active state leases and SCP Compensation Zones.

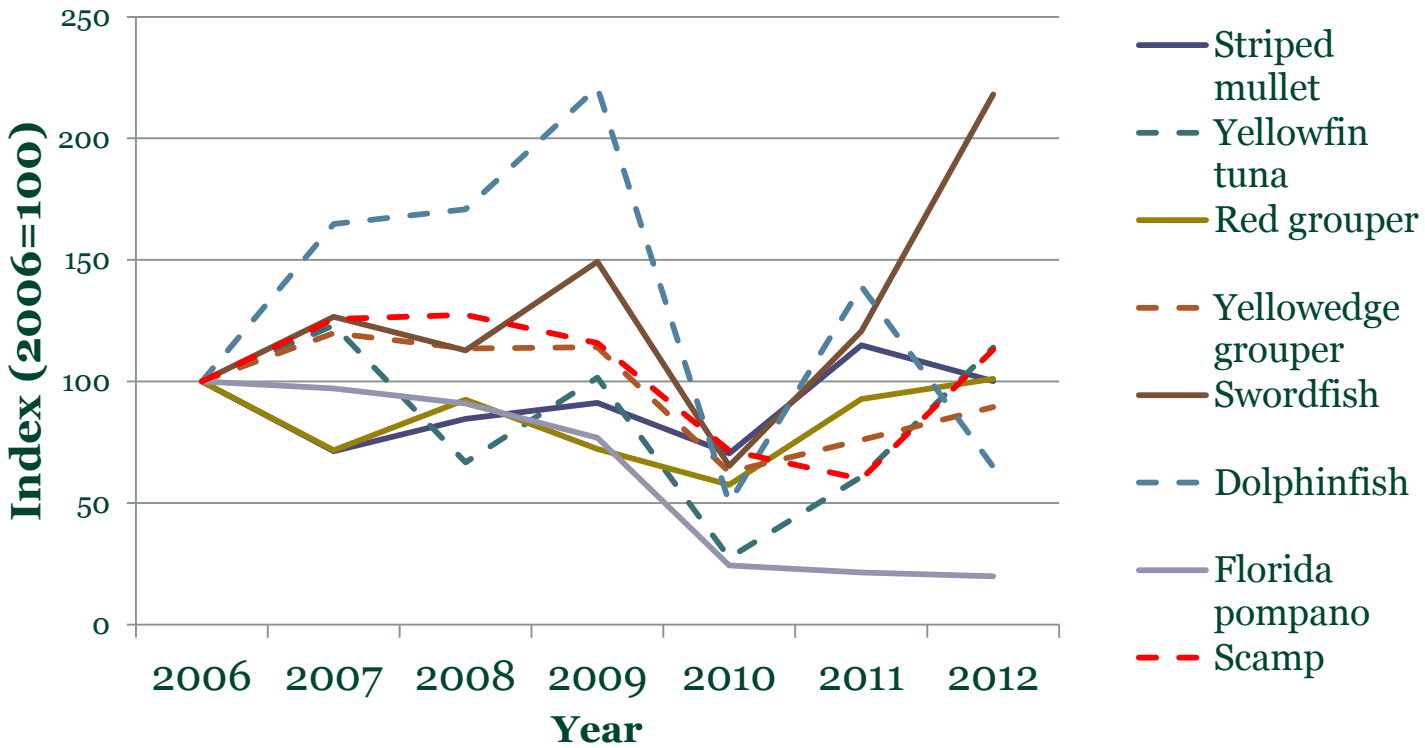
Compensation Zone	Acres Leased	Compensation Rate/acre	Potential Compensation
A	255,958	$2,000	$511,916,000
B	21,798	$1,000	$21,798,000
C	115,066	$400	$46,026,400
All	392,822		$579,740,400

Table 32. Estimated potential SCP Oyster Leaseholder Property Damage Compensation by basin based on March 2013 active state leases and SCP Compensation Zones.

Basin	Potent. Zone A Compensation	Potent. Zone B Compensation	Potent. Zone C Compensation	Potent. Total Compensation
Atchaf. – Verm – Teche	$ -	$ -	$ 11,112,800	$ 11,112,800
Lake Pont.– Pearl River	$ 246,661,000	$ 3,841,000	$ -	$250,502,000
Miss. River – Barataria	$ 265,255,000	$ 2,145,000	$ -	$267,400,000
Terrebonne	$ -	$ 15,812,000	$ 34,913,600	$ 50,725,600
All	$ 511,916,000	$ 21,798,000	$ 46,026,400	$579,740,400

FINFISH

Figure 19. Indexed Gulf-wide Landings of Eight Selected Saltwater Finfish Species: 2006=100



Sources: 2000-2011: NMFS Commercial Fisheries Statistics web site as of March 2013.
2012: Gulf States Marine Fisheries Commission website as of 6/7/2013.
These are commercial landings as reported by Gulf states to NMFS and GSMFC. They do not include

Table 37. Estimated foregone Gulf-wide gross and net revenue from eight selected finfish fisheries using 2006-09 average market prices and variable cost estimate of 27 percent.

	2010		2011		2012	
	Gross	Net	Gross	Net	Gross	Net
Striped mullet	$1,240,865	$ 905,831				
Yellowfin tuna	$5,673,693	$ 4,141,796	$2,992,629	$2,184,619		
Red grouper	$3,924,361	$ 2,864,784				
Yellowedge grouper	$1,269,031	$ 926,393	$ 929,394	$ 678,458	$ 579,765	$ 423,228
Swordfish	$ 725,989	$ 529,972	$ 18,287	$ 13,350		
Dolphinfish	$ 407,603	$ 297,550	$ 89,698	$ 65,480	$ 355,103	$ 259,225
Florida pompano	$ 676,735	$ 494,016	$ 706,767	$ 515,940	$ 721,658	$ 526,810
Scamp	$ 365,996	$ 267,177	$ 460,888	$ 336,448	$ 32,788	$ 23,935
All	$14,284,273	$10,427,519	$5,197,664	$3,794,295	$1,689,314	$1,233,199

Sources: 2006-11 – NMFS Commercial Fisheries Statistics website (March 2013)
2012 – Gulf States Marine Fisheries Commission online database (6/20/2013)

Table 51. Cumulative estimated 2010-2012 commercial finfish net revenue losses by state for eight selected species (millions)

State	2010	2011	2012	Totals	% of Total
Florida	$5.3	$1.5	$1.1	$8.0	51.0%
Louisiana	$4.0	$2.7	$0.1	$6.8	43.3%
Alabama	$0.3	$0.2	$0.0	$0.5	3.3%
Texas	$0.2	$0.1	$0.1	$0.4	2.4%
Mississippi	<$0.1	$0.0	$0.0	<$0.1	0.0%
Totals	$9.8	$4.5	$1.3	$15.6	100.0%

BLUE CRABS

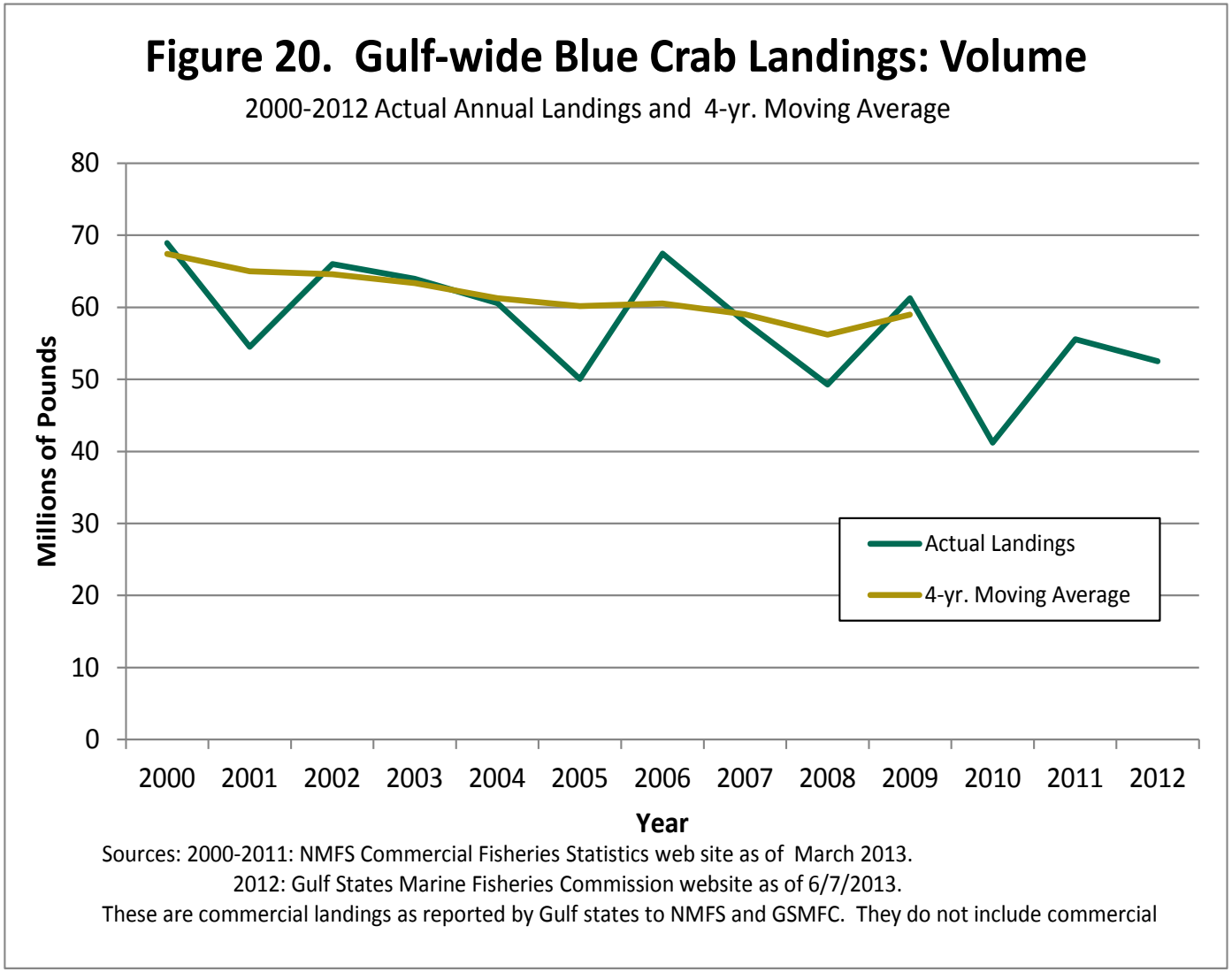


Figure 20. Gulf-wide Blue Crab Landings: Volume
2000-2012 Actual Annual Landings and 4-yr. Moving Average
Millions of Pounds
80
70
60
50
40
30
20
10
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Year
Actual Landings
4-yr. Moving Average
Sources: 2000-2011: NMFS Commercial Fisheries Statistics web site as of March 2013.
2012: Gulf States Marine Fisheries Commission website as of 6/7/2013.
These are commercial landings as reported by Gulf states to NMFS and GSMFC. They do not include commercial

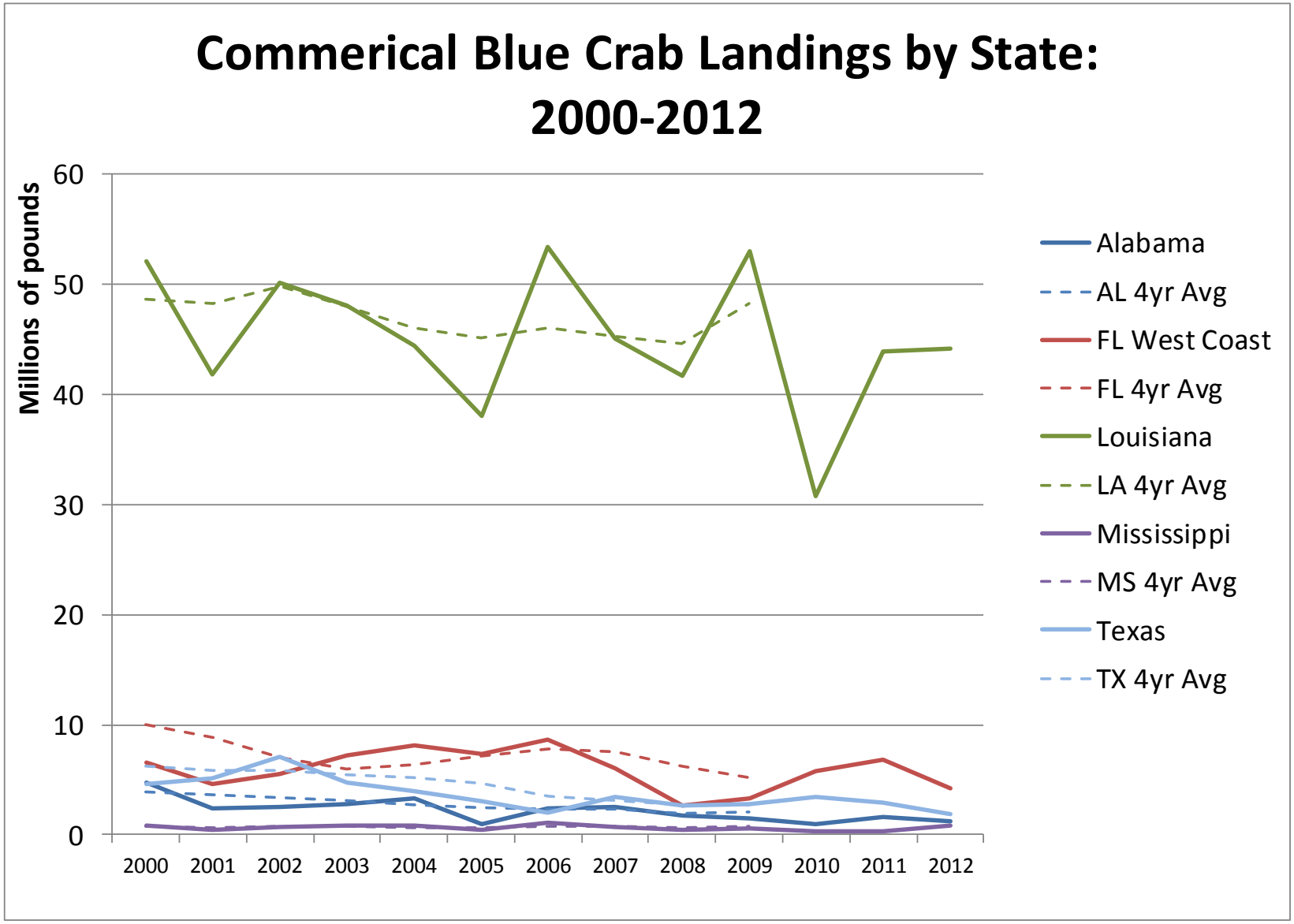
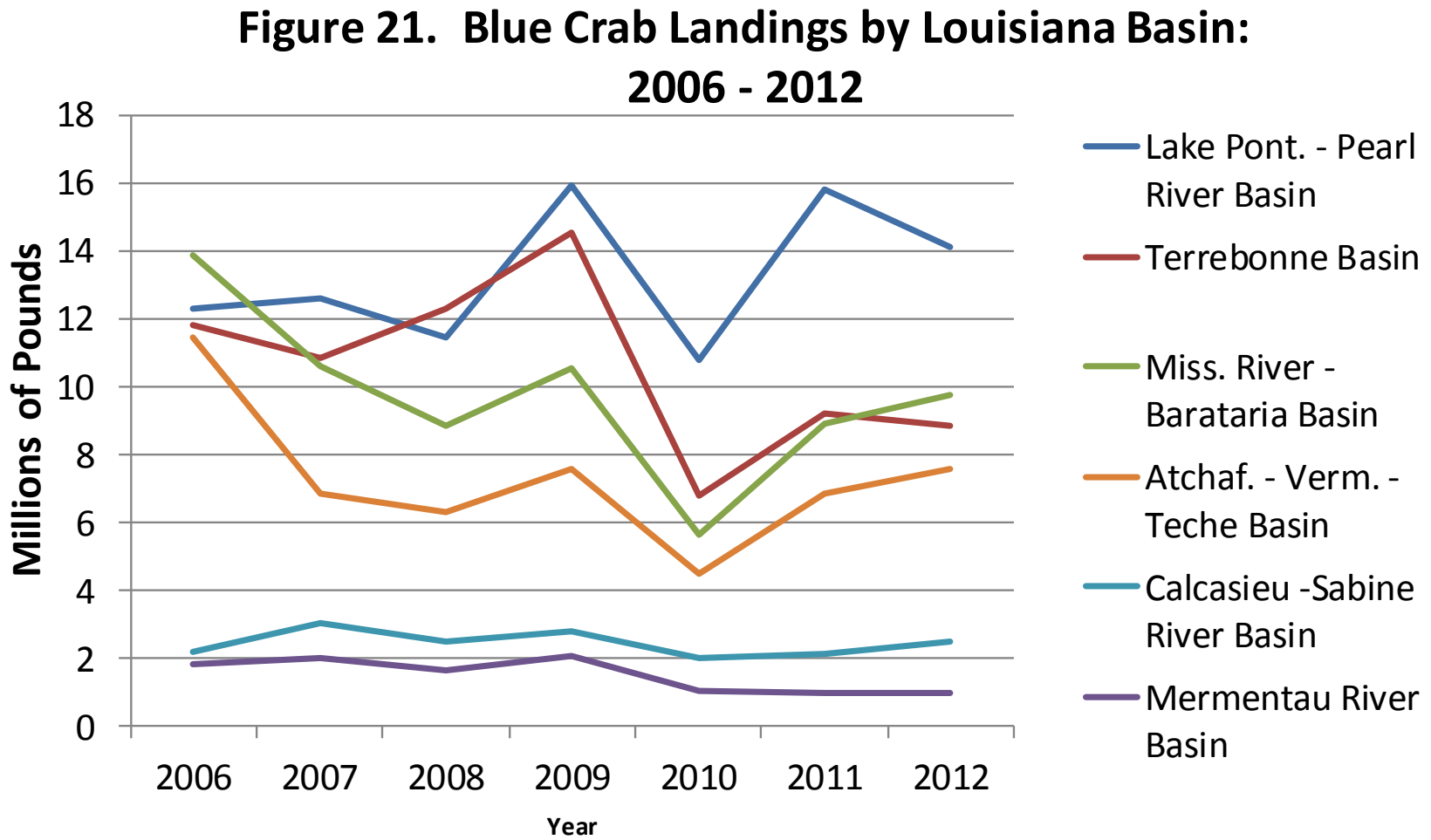

Commerical Blue Crab Landings by State: 2000-2012
Millions of pounds
60
50
40
30
20
10
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Alabama
AL 4yr Avg
FL West Coast
FL 4yr Avg
Louisiana
LA 4yr Avg
Mississippi
MS 4yr Avg
Texas
TX 4yr Avg

Table 58. Summary of estimated 2010-12 commercial blue crab net revenue losses.

State	2010	2011	2012	Total by State	% of Total Net Losses
Louisiana	$8,115,160	$2,055,608	$1,918,438	$12,089,207	82.8%
Alabama	$492,208	$190,097	$329,021	$1,011,327	6.9%
Florida	$0	$0	$608,219	$608,219	4.2%
Texas	$0	$0	$474,557	$474,557	3.2%
Mississippi	$213,022	$210,913	$0	$423,935	2.9%
	$8,820,391	$2,456,618	$3,330,235	$14,607,244	100.0%



Source: Gulf States Marine Fisheries Commission. Commercial landings reported through Louisiana trip-ticket program. No recreational landings or commercial landings kept for home consumption included.

Table 63. Estimated 2010-2012 blue crab net foregone revenue (in millions) in six impacted Louisiana basins using 2006-2009 average basin market prices and 35% trip costs. (based on GSMFC data)

Basin	2010	2011	2012	Cumulative	% of Total
Terrebonne	$2,366,527	$1,345,933	$1,480,493	$5,192,953	35.5%
Miss. River - Barataria	$2,383,358	$916,305	$546,220	$3,845,883	26.3%
Atchaf. - Verm. - Teche	$1,678,288	$549,358	$217,589	$2,445,235	16.7%
Mermentau River	$457,662	$477,944	$493,434	$1,429,040	9.8%
Lake Pont. - Pearl River	$1,095,198	$0	$0	$1,095,198	7.5%
Calc. - Sabine River	$283,288	$241,572	$62,435	$587,295	4.0%
Total	$8,264,321	$3,531,112	$2,800,171	$14,595,604	100.0%

Summary of Estimated Foregone Net Revenue from Commercial Blue Crab Harvests: 2010-2012

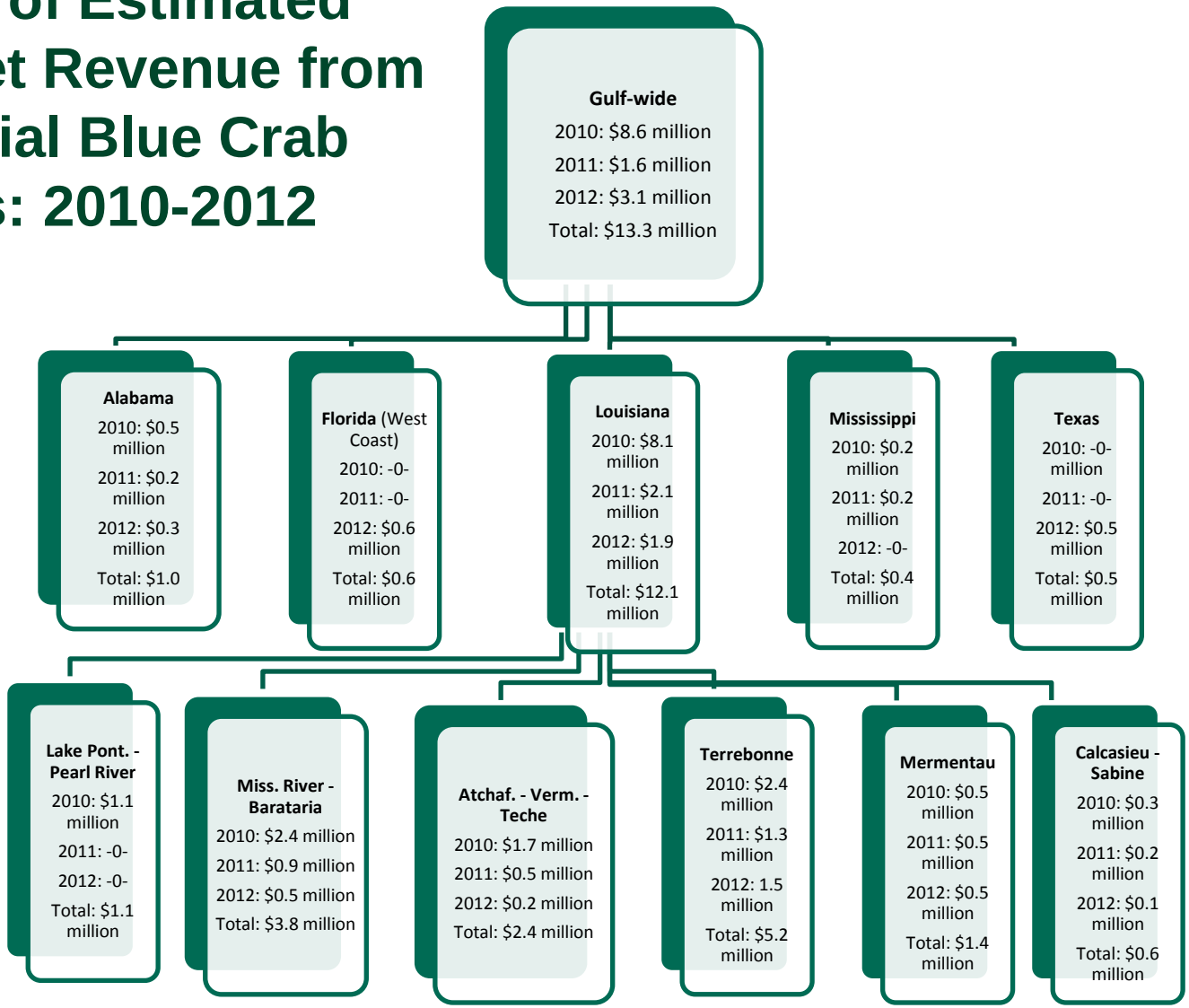


Table 73. Summary of estimated foregone net revenues (millions) - Gulf-wide and by state: 2010-2012

SUMMARY	Gulfwide	AL	FL	LA	MS	TX	Sum of Affected States
Shrimp	$84.8	$17.0	$2.4	$46.5	$4.5	$17.5	$87.8
Oyster	$27.2	$0.0	$1.1	$19.7	$12.1	$0.1	$33.0
Oyster Leaseholder	$8.0	$0.0	$0.0	$8.0	$0.0	$0.0	$8.0
Finfish	$15.5	$0.5	$8.0	$6.8	$0.0	$0.4	$15.6
Blue Crab/Other	$22.2	$1.0	$9.5	$12.1	$0.4	$0.0	$23.0
Totals	**$157.6**	**$18.5**	**$20.9**	**$93.1**	**$16.9**	**$18.0**	**$167.5**

Oyster Lease Property Damage Estimate

- Three basins showed depressed oyster landings in 2010, but landings from two of those basins returned to normal in 2011 and 2012, indicating that there were only disruptions to harvesting, and no long-term damage to the reefs.
- If one assumed that leases in the Lake Pontchartrain – Pearl River basin had been rendered unusable, so that all future income had been lost, one could estimate the value of the property "lost" by calculating the present value of the future income stream which would have been received.
- 2006-09 avg. leaseholder share = $23.40/acre - $2.00 lease fee = $21.40/acre net
- $21.40/acre for perpetuity, discounted at 4.5% = $476/acre * 127,172 est. acres leased in Lake Pontchartrain Basin = **$60.5 million**
- Other two basins which were temporarily damaged, assume $100 per acre ($200/active acre) to "work" the lease x 265,650 acres = **$26.6 million**
- Combined oyster leaseholder property damage estimate of **$87.1 million**

Table 80. Comparison of estimated SCP distributions (millions) to date by fishery with estimated foregone revenues from 2010-2012 plus oyster lease property damage values.

Fishery/Group	Estimated First Round Payouts to Date	Percentage of Payouts to Date	Est. 2010-12 Foregone Net Revenues + Oyster Bed Damage	% of Total Est. 2010-12 Foregone Revenues + Damages	Multiple of Payouts to Date to Estimated 2010-12 Foregone Revenues/ Damages
Shrimp	$294	29.5%	$97.9	34.7%	3.0
Oyster Harvester	$55	5.6%	$43.0	15.3%	1.3
Finfish	$32	3.3%	$15.6	5.5%	2.1
Blue Crab	$30	3.0%	$16.6	5.9%	1.8
Other Seafood	$6	0.6%	$8.9	3.1%	0.6
Oyster Leasehldrs.					
Income	$50	5.0%	$12.9	4.6%	3.9
Property Damage	$529	53.1%	$87.1	30.9%	6.1
Total	$997	100.0%	$282.1	100.0%	3.5

Source: First round payouts to date estimated by Joel Waltzer (GO FISH). Does not include $95 million to IFQ owners or deckhands.

Table 81. Estimated Round 2 SCP distributions (millions) by fishery necessary to achieve equal multiples of estimated foregone revenues from 2010-2012 plus oyster lease property damage values.

Fishery/Group	Estimated First Round SCP Payouts to Date	Second Round SCP Payouts Necessary for Equitability	Total SCP Payouts	Estimated 2010-12 Foregone Net Revenues + Oyster Bed Damage	Multiple of Total SCP Payouts to Est. 2010-12 Foregone Revenues & Oyster Bed Damage
Shrimp	$294	$423	$717	$97.9	7.327
Oyster Harvester	$55	$260	$315	$43.0	7.327
Finfish	$32	$82	$115	$15.6	7.327
Blue Crab	$30	$92	$122	$16.6	7.327
Other Seafood	$6	$59	$65	$8.9	7.327
Oyster Leaseholders					
Income	$50	$44	$94	$12.9	
Property Damage	$529	$109	$638	$87.1	7.327
Total	$997	$1,070	$2,067	$282.1	7.327

Source: First round payouts to date estimated by Joel Waltzer (GO FISH). Does not include payments to IFQ owners or deck hands.

Table 82. Ratio of suggested Round 2 distributions to Round 1 payouts.

Fishery/Group	Estimated SCP Round 1 Payouts	Suggested SCP Round 2 Payouts	Ratio of Round 2/ Round 1
Shrimp	$294	$423	1.44
Oyster Harvester	$55	$260	4.69
Finfish	$32	$82	2.54
Blue Crab	$30	$92	3.13
Other Seafood	$6	$59	10.29
Oyster Leaseholders			
Income	$50	$44	0.89
Property Damage	$529	$109	0.21
Total	$997	$1,070	1.07

Our Suggestion

The default distribution method for Round 2, as specified in the SCP documents, is to use the same proportional formulas as utilized in Round 1.

However, additional landings data have become available since the SCP was formalized that have added clarity regarding which fisheries have been most impacted, and in which locations the impacts have been more severe.

We suggest that the administrators of the SCP use the opportunity afforded by the necessity of the Round 2 distributions to help even out, rather than exacerbate, funding discrepancies in the Round 1 distributions.

Response from the Court-Designated Neutrals

"2. Round Two should not be used to adjust payments to achieve a species by-species allocation goal.
Several attorneys and claimants have contended that harvesters of certain species, in the aggregate, did not receive as much money in Round One as they anticipated. These attorneys and claimants have contended that Round Two funds should be allocated so that any perceived species-based distortion be corrected.

The Neutrals disagree with this proposal. This is a reincarnation of the 'top-down' approach…that the Neutrals rejected in drafting the original SCP. As was stated previously, the Neutrals designed the SCP to fairly compensate individual *participating* claimants. The formulas were not designed to guarantee any group of *potential* claimants (such as the harvesters of a particular species, *some of whom may have chosen not to participate*) an aggregate share of the Settlement Fund.

…any top-down implementation would result in a windfall for some claimants…"

“3. Round Two should not adjust payments to more heavily compensate oyster leaseholders or harvesters of certain species.

“Several attorneys and claimants have contended that newly available information (i.e., information that was not available to the Neutrals when they drafted the SCP) supports compensating oyster leaseholders or harvesters of certain species more heavily than others.

The Neutrals disagree with this proposal. In drafting the original SCP, the Neutrals considered the biological differences among the various species, including but not limited to typical periods that could be expected for maturation and reproduction. Based upon these considerations, the Neutrals did not expect the effects on all species, if any, to become apparent at the same time. Neither did the Neutrals expect the effects on all species, if any, to run their course at the same rate.

The Neutrals have interviewed attorneys, claimants, and experts, and they have reviewed additional data and reports. The information available to the Neutrals does not significantly vary from what they anticipated when they drafted the SCP. **The information supports a proportionate approach**.”

"4. Round Two should not adjust payments to more heavily compensate claimants in certain geographic regions.

Several attorneys and claimants have contended that newly available information (i.e.. , information that was not available to the Neutrals when they drafted the SCP) supports compensating claimants in certain geographic regions more heavily than others.

The Neutrals disagree with this proposal. In drafting the original SCP, the Neutrals took into account, where appropriate, the potentially differing impact of the *Deepwater Horizon* incident with respect to various geographic regions of the class area.

The Neutrals have interviewed attorneys, claimants, and experts, and they have reviewed additional data and reports. The information available to the Neutrals, taken as a whole, does not significantly vary from what they anticipated when they drafted the SCP. **The information supports a proportionate approach."**

Thoughts, questions, etc. ???

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