

The social and economic impact of the Gulf oil spill

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As the thick crude gushing from the broken well in the Gulf of Mexico coats wetlands along the Louisiana coast, reliable figures on the extent of the spill are precious and few. BP has withheld crucial information, while the Obama administration is following BP's lead in insisting that clean-up efforts are not dependent on knowing how much oil is entering the Gulf.

These efforts are further hindered by the lack of current data about coastal areas produced by the National Oceanic and Atmospheric Administration (NOAA).

The protracted underfunding of federal agencies—in addition to their subservience to corporate interests—is contributing to the criminal lack of oversight involved in this catastrophe. CNN reported that NOAA's administrator, Dr. Jane Lubchenco, told the Senate Committee on Commerce, Science and Transportation on May 18 that half of the environmental sensitivity index atlases identifying coastal areas at great risk are over 10 years old: "Many of them do not reflect current information."

Two things that are becoming clearer are the extent to which coastal industries are threatened by the spill, and the grave health risks posed by widespread contamination.

Anxieties grow for fishing, tourism and hospitality industries

This is the peak of the spawning season for many species of Gulf fish, crabs and oysters, and the effects of the spill are expected to greatly reduce the quantity of marine life for several generations. Even as US commercial seafood harvests have dropped slightly over the last decade, the Gulf Coast is responsible for about half of the total US harvest in its high season. Fishing in the Gulf of Mexico is an estimated \$2.4 billion industry. Nineteen percent of the Gulf Coast, or 46,000 square miles, is currently closed to fishing, between the Mississippi River and the Pensacola Bay. Currently, migratory species of fish are assumed to be most affected.

Richard Shelby, a Republican Senator from Alabama, wrote in a letter to Commerce Secretary Gary Locke on May 18: "It is indisputable that the crisis we now face is man-made. If the oil continues to spill in the Gulf unabated, it will not only destroy the fisheries this year, but will adversely impact the Gulf's ecosystem for decades. Alabama's fishing industry represents one of the largest economic engines in the state—accounting for more than \$800 million in sales and nearly 18,000 jobs. We must proactively work to adequately deal with this situation."

Alabama expects oil to hit its shores on or near May 24. Fumes from burning oil on the surface of the Gulf were reported on beaches.

This week, Rear Adm. Mary Landry, commander of the Eighth Coast Guard District, criticized BP for having "hesitated" in placing booms that were supposed to prevent much of the oil now blanketing the wetlands of Terrebonne Parish, Louisiana from reaching the area, where fishing, hunting and trapping still represent a significant sector of the economy. Commercial fish stocks live some or all of their lives in the wetlands.

The region's tourism industry also faces devastation, which would further diminish jobs and state revenues, with the impact already being felt in states where oil has yet to come ashore.

Linda Hornsby, director of the Mississippi Hotel and Lodging Association, told the McClatchy news agency that occupancy at beachfront hotels was down 50 percent.

CBS News reported that occupancy rates in the Florida panhandle are also off 50 percent for Memorial Weekend, and that some hotels are reporting occupancy as low as 15 percent.

Island House Hotel on the Alabama Gulf Coast told CBS that its losses had already run up to \$100,000-200,000 by the second week in May, not counting convention business.

A survey of Gulf Coast hotels conducted by the Knowland Group revealed that 42 percent of respondents had group cancellations, a 7 point increase. At the same time, some hotels in Louisiana have seen a marked increase in business owing to the nearly 25,000 scientists, reporters, photographers, cleanup workers, volunteers, environmentalists and others who are staying in the area.

This threatened bust for the key tourism sector comes in the midst of a deep and prolonged recession fueled by a mortgage crisis that caused enormous losses in property values—and thus tax revenues—in many of the affected areas. Louisiana's industries, in many respects still recovering from the Hurricane Katrina disaster, are particularly hard hit. Tourism in Louisiana is centered in part on game-fishing charters in the wetlands.

Growing concern has been expressed by the Department of the Interior that the part of the Gulf Stream called the loop current will carry oil into the region of the Florida Keys—home to a coral reef that is by all accounts particularly sensitive—up the east coast of Florida as far north as Cape Canaveral, and out into the Atlantic Ocean. This would seriously hurt the state's revenue from tourism, which has dropped off in recent years due to the deep recession. According to the Florida tourism board, the state's tourism industry is estimated at \$65 billion, employs over one million workers, and accounts for 21 percent of the state's sales tax revenue.

In a report released by the Bonefish and Tarpon Trust, industry

analysts have stated that if oil enters Florida's Everglades region it would mean disaster for its \$1.2 billion sport fishing industry. The report states that sport fishing in the Everglades "produces more than \$378 million in wages that support 12,391 full-time equivalent jobs and brings in tax revenues exceeding \$90 million (federal) and \$72 million (state and local) from Florida's 13 southernmost counties. More than 8,000 jobs linked to saltwater sport fishing could be jeopardized if oil reaches the Everglades region." About 7 million people rely on the aquifers of the Everglades for drinking water.

While BP has promised millions to the states of Alabama, Florida, Louisiana and Mississippi for clean-up and for an advertising campaign to counter the fall in tourism, the sums are insufficient to losses that have already been suffered on the Louisiana coast, not to mention those states where oil has not yet hit land.

On May 22, Florida Governor Charlie Crist wrote to Homeland Security Secretary Janet Napolitano, noting that the company's efforts were plodding and that fishing charters have already begun to drop off all over the state. He asked that Florida be immediately equipped with sufficient boom to protect the coasts that attract tourism. Instances of canceled recreational fishing trips are being reported from Houma to Miami. The effect of these losses on related industries is another worry, including recreational boat manufacturers, and fishing equipment and apparel producers.

Serious health concerns loom over clean-up efforts

Though clean-up efforts have been under way for weeks, BP remains silent about the serious health effects upon workers and volunteers of the chemicals and procedures being employed. Concerns are mounting over the health effects of "flaring" on spill workers, the process of burning the gas after it has been piped to the surface of the water, exposure to chemical dispersants used to break up the oil in the water, and exposure to burning crude oil as it rests on the water's surface. No public entity is currently monitoring the health effects of the spill, only scientists contracted to BP.

McClatchy reported that BP, with the full complicity of the Obama administration, continues to conceal safety data as proprietary information. The company has not released results from air sampling tests to the public. The Occupational Safety and Health Administration (OSHA) has access to the data, and has "urged [BP] to do so." Since the data was collected by BP contractors, an OSHA regional administrator said, "It isn't ours to publish." A BP spokesperson stated that the safety information has been shared with the "legitimate interested parties." Director of the worker training program at the National Institute of Environmental Health Sciences, Joseph Hughes, told McClatchy he didn't think "anyone has seen much of that data at all."

The chemical dispersant used by BP in the Gulf of Mexico, Corexit 9500, known to be more toxic and less effective than other approved mixtures, has been deployed in large amounts and at great depths in an attempt to break up the oil billowing out of the well head, and on the surface of the Gulf. The environmental effects of its unprecedented use at great depths are not known. Additionally, the contents of dispersants are treated as trade secrets, and so it is currently unknown what exactly is being pumped into the Gulf in great quantities, much less its long-term impact.

Corexit 9500 was reportedly banned in Britain for use in oil spills over a decade ago because of concerns over its environmental impact. There are also reports that health problems among workers involved in the cleanup following the 1989 Exxon-Valdez spill in Alaska, including respiratory, nervous system, liver, kidney and blood disorders, were linked to an earlier version of the Corexit dispersant.

On May 19, the chairman and president of BP American, Lamar McKay, was asked by a member of the House Transportation and Infrastructure Committee why the company had decided to use such a toxic dispersant. The next day, the Environmental Protection Agency ordered BP to use a chemical dispersant less toxic than the Corexit 9500 currently being used to disperse the crude.

The company issued a statement over the weekend flatly rejecting the EPA's demand: "Based on the information that is available today, BP continues to believe that Corexit was the best and most appropriate choice at the time when the incident occurred, and that Corexit remains the best option for subsea application." Recent reports indicate that over 600,000 gallons of Corexit 9500 have been poured onto the surface of the Gulf, and 55,000 in deep water.

In the course of questioning McKay, major health issues came to light. New York Democratic Representative Jerrold Nadler stated, "Corexit is 2.61 in toxicity, which means it's highly toxic. It has an effectiveness of 54.7 in the south Louisiana crude-oil spill. [Dispersit—another agent] is 7.9 toxicity, which means it's a lot less toxic, but it has an effectiveness rate of 100%. Mare Clean 200, its toxicity rate is 42, which is much, much better. Its effectiveness rate is 84, compared to Corexit at 54." Another representative voiced concerns about the effects on humans of eating fish contaminated with toxic dispersant. No systematic attention has been given to safety—either in the operation of the well before the explosion, or in regard to environmental questions afterwards, as BP continues to withhold key information.

The ill effects of the clean-up efforts organized by BP may last long after those of the oil itself. On May 11, John T. Everett, formerly a climate change expert with NOAA who now operates a consulting firm to fisheries and ocean-related businesses, addressed a Senate subcommittee on Environment and Public Works. While he acknowledged "the importance of dealing with here and now threats to our sea-life and to ourselves," Everett warned that "even the oil damage will eventually heal... The flow of chemical materials into our waters is another matter. There are too many insidious contaminants entering our estuaries, causing genetic harm and poisoning our birds, turtles, and seafood."



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