

Lagniappe



Research and Extension Programs
Agriculture
Economic/Community Development
Environment/Natural Resources
Families/Nutrition/Health
4-H Youth Programs

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KATRINA & RITA

On August 29, Hurricane Katrina, a large and vicious storm, swept over the fisheries-rich coastal parishes of eastern Louisiana, devastating them and much of coastal Mississippi. Before landfall, Katrina's sustained winds reached speeds of 175 miles per hour and the hurricane's storm surge reached eastward as far as Mobile, Alabama.

The Louisiana Department of Wildlife and Fisheries reports 33 percent of the wholesale and retail seafood dealers licensed in Louisiana, 35 percent of the commercial fishermen, nearly 50 percent of the commercial vessels and 63 percent of the charter vessels are based in the parishes affected by Katrina. Much more than vessels were destroyed. Buying docks, ice houses, transportation infrastructure, value-added processing plants, wholesale and retail seafood businesses, vessel repair facilities, net shops, and packaging facilities were damaged or destroyed.

Markets were devastated. Besides serving as the focus of seafood distribution throughout the nation, New Orleans itself was a huge market for seafood. Hundreds of thousands of resident consumers have been displaced and the seafood-hungry tourism industry is in a coma.

The recreational fishing industry was just as deeply affected. Recreational fishing boats at marinas were swept away. Many thousands more were damaged or destroyed in storage sheds, garages, and home yards. Marinas and other coastal facilities that service recreational fishermen were largely destroyed. As residents rebuild their homes and lives, few are expected to have time or extra income to spend on recreational fishing trips, either with their own boats or with charter boats.

Then on September 24, Hurricane Rita struck on the Texas-Louisiana state line, with the brunt of the damage falling in Louisiana. Again coastal towns were obliterated, fishing businesses clobbered, and vessels and boats were damaged, sunk or stranded on dry land.

While the fisheries resources themselves are only expected (with the exception of oysters) to be minimally affected, wetland loss was serious. As bad as Louisiana's coastal wetland loss has been in the past, the U.S. Geological Survey has estimated that Katrina destroyed more marshland than the state has lost in the previous 48 years. Additionally, full recovery of the state's mud-smothered oyster beds could take two years.

Fisheries losses from Hurricanes Katrina and Rita combined could total over \$2 billion over the next 12 months. Nearly 30,000 fisheries-related jobs will likely be affected.

SBA DISASTER LOANS

The Small Business Administration (SBA) is providing disaster loans to homeowners and businesses affected by Hurricanes Katrina and Rita. Home loans are limited to \$200,000 for real estate and \$40,000 for personal property. Business loans and Economic Injury Disaster loans are limited to \$1,500,000. Loans can only be made for uninsured property.

Interest rates depend on whether the applicant has credit available elsewhere.

| | No Credit Available Elsewhere | Credit Available Elsewhere |
|--------------------------|----------------------------------|-------------------------------|
| Home Loans | 2.687% | 5.375% |
| Business Loans | 4.000% | 6.557% |
| Non-Profit Organizations | 4.000% | 4.750% |
| Economic Injury Loans | 4.000% | N/A |

Deadlines for filing the applications are as follows:

(Katrina) Physical Damage: October 28, 2005 Economic Injury: May 29, 2006
(Rita) Physical Damage: November 23, 2005 Economic Injury: June 26, 2006

SBA requests that boat owners (deck hands are not eligible) register with FEMA at 1-800-621-3362 to start the process.

Disaster loan application forms are available on the web at:
http://www.sba.gov/disaster_recov/loaninfo/dloanassit.html.

An SBA fact sheet on disaster loans is available on the web at:
http://www.sba.gov/disaster_recov/FACTSHEET_HurricanesKatrinaRitaLATX.pdf

FEDERAL HELP

In response to the effects of Hurricane Katrina, U.S. Commerce Secretary Carlos Gutierrez announced a formal determination of a fishery failure and made a fishery resource disaster declaration for the Florida Keys and the area from Pensacola Florida

westward to the Louisiana-Texas state line. On October 4, Gutierrez made a similar declaration for all of Texas and Louisiana because of damages from Hurricane Rita.

Both actions were made through provisions of the Magnuson-Stevens Fishery Conservation and Management Act, which authorizes assistance to assess the impacts, restore the fisheries, prevent future failure, and assist fishing communities' recovery efforts after a natural disaster, and the Inter-jurisdictional Act, which authorizes that funds can be made available for assistance to fishermen to alleviate harm resulting from a natural disaster.

Under similar actions, after Hurricane Ivan struck the Gulf Coast last year, \$9 million in aid was appropriated to repair the oyster industries in Alabama, Florida, Mississippi and Louisiana. In 1997, \$10 million in relief aid was appropriated to recover from damage caused by Hurricanes Hugo and Andrew.

More controversial is the PELICAN (Protecting Essential Louisiana Infrastructure, Citizens and Nature) Plan, which Louisiana Senators Mary Landrieu and David Vitter have introduced into the U.S. Congress. The total package is a stunning \$250 billion. It includes \$14 million for the menhaden industry, \$90 million for Louisiana oyster recovery, \$150 million for the state's commercial fishermen, \$150 million for the recovery of fisheries infrastructure, and \$35 million to the Louisiana Seafood Promotion and Marketing Board to rebuild markets for seafood products in fisheries impacted by Katrina. While not specified in the bill now, \$19 million is expected to be added to assist in the recovery of the charter fishing industry. A slightly different version of the plan has been introduced into U.S. House of Representative by Representative Charlie Melacon.

The legislation has gathered some intense criticism. Detractors point out that the War in Iraq has cost: "only" \$87 billion, and that the \$250 billion in the plan to rebuild Louisiana alone equals 2.9 Iraq Wars. They add that the amount, equivalent to \$55,600 for each of the 4.5 million people in Louisiana, is excessive and sets a bad precedent of the federal government being completely responsible for restoring people's lives after disasters.

In other federal legislation, U.S. Congressman Gene Taylor of Mississippi has introduced the Hurricanes Katrina and Rita Flood Insurance Buy-in Act of 2005. With the act, Taylor wants to allow people who do not have flood insurance, to purchase it retroactively and get full coverage on the federal flood insurance program.

As programs of assistance to fishermen and fisheries businesses are developed, we will keep you informed.

PLAQUEMINES VESSEL ROUND-UP

One of the hardest hit Louisiana parishes, Plaquemines, has begun an active vessel and boat salvage operation. Large numbers of all sizes of recreational and

commercial fishing vessels broke loose from their moorings or floated from their on-land locations and were scattered over the parish.

Many owners have located their vessels but have no way to retrieve them. In a chain from Plaquemines Parish Government to State Government to FEMA and ending with the U.S. Coast Guard, these boats and vessels located inside the parish levee system are to be salvaged.

According to Rusty Gaudé, Sea Grant Marine Advisor for the parish, insured vessel owners will have the salvage fees charged to their insurance company and uninsured owners will have their vessels salvaged at no cost. The actual salvage will be done by private contractors through the Coast Guard. Vessels outside the levee system are to be salvaged at a later date. Gaudé says other parishes may possibly follow a similar pattern. Salvage forms are available at the Plaquemines Parish website: <http://www.plaqueminesparish.com>.

LDWF OFFERS DOCUMENTATION ASSISTANCE

The Louisiana Department of Wildlife and Fisheries (LDWF) is working with vessel owners and their insurance companies to provide assistance with documentation required to file claims for the loss of boats during Hurricanes Katrina and Rita.

To assist boat owners who suffered losses, the department will provide free certified copies of boat registrations and will cancel registration records for which written documentation is received from the registered owner or the insurance company for lost, stolen or missing boats. Along with the written request for a certified copy or a cancellation, registered owners should provide a copy of their driver's licenses for identification purposes. This information may be faxed to 225-763-5421.

LDWF is taking a proactive approach to curtail fraud and theft by scrutinizing ownership documentation for new applications submitted to register boats that may have been affected by Hurricanes Katrina and Rita. The department will work with the Office of the Attorney General and make every effort to protect the rights of legitimate boat owners. Registration transactions will not be allowed for salvaged, found or abandoned boats.

Louisiana has several criminal statutes that address theft, fraudulent applications and related matters. LDWF agents will investigate and file charges on anyone attempting an illegal transfer of a motorboat.

SAFE TO EAT?

In the aftermath of Hurricanes Katrina and Rita, a large amount of misinformation circulated about the safety of eating seafood from Louisiana waters. After thorough testing, no fisheries products were found to contain residues of oil, pesticides or toxic

chemicals. This includes seafood from Lake Pontchartrain, which had to handle large amounts of storm water.

High bacteria levels were noted in flood waters and can be expected in localized estuary waters of the state. This is not unexpected, as it happens following any heavy rainfall. Proper handling of seafood under refrigeration and thorough cooking removes any risk from bacteria. Sampling of seafood for pollutants is expected to continue for from one to three years.

Oysters, which are commonly eaten raw, are being closely monitored. All areas of oyster harvest within the storm-affected areas are closed and will remain closed until routine sampling from the state Molluscan Shellfish Program determines that area waters are of adequate quality to reopen oyster grounds.

SHELLFISH IRRADIATION CHALLENGED

Shortly before Hurricane Katrina struck, the U.S. Food and Drug Administration (FDA) announced its approval of the use of irradiation to kill bacteria in oysters and other shellfish. The move was strongly supported by the oyster industry, as irradiation can be used to kill *Vibrio vulnificus* bacteria in live oysters.

Because *Vibrio* infections are fatal to a dozen or more highly-susceptible people in the U.S. each year, the Gulf States' oyster industry has facing increasing restrictions on selling its oysters in warm-weather months. Irradiation was seen as a "post-harvest treatment" tool to help combat the problem.

On September 14, the groups Public Citizen and Center for Food Safety submitted a legal challenge to FDA, saying, "The FDA is guilty of negligence—plain and simple". The groups charge that eating irradiated foods can cause premature death, birth defects, mutations, organ damage, nutritional deficiencies, blood disorders, and tumor promotion.

FDA began legalizing irradiated foods in 1963. Research shows no radioactive residue in treated foods.

ENDANGERED SPECIES ACT REVISION

Since the war over sea turtles and mandatory TED use laws, the Endangered Species Act has few supporters in the Louisiana commercial fishery. The act has also long been under the scrutiny of U.S. Congressman Richard Pombo of California.

At the end of September, Pombo managed to get an overhauled version of the act passed through the U.S. House of Representatives by a 229-193 vote. Pombo's version strengthens private property owner's rights by requiring the federal government to pay landowners for prohibiting them from developing their land. The bill also would

scrap a requirement that the government identify "critical habitat" necessary for an endangered species to recover.

The bill now advances to the Senate. In the past, the Senate has shown less support for revising the act. Opponents of the Pombo bill say that his version slashes holes in the safety net that prevents plants and animals from being wiped out. The White House released a statement saying it supports Pombo's bill but is concerned that the measure could have a "significant" impact on the federal budget.

RED SNAPPER QUOTAS MOVE FORWARD

At its September meeting, the Gulf of Mexico Fishery Management Council approved another step forward on the development of individual transferable quotas (ITQs) for the commercial red snapper fishery. Under the proposed plan, individual fishermen that now hold reef fish and red snapper permits would be assigned a share of the overall commercial red snapper quota.

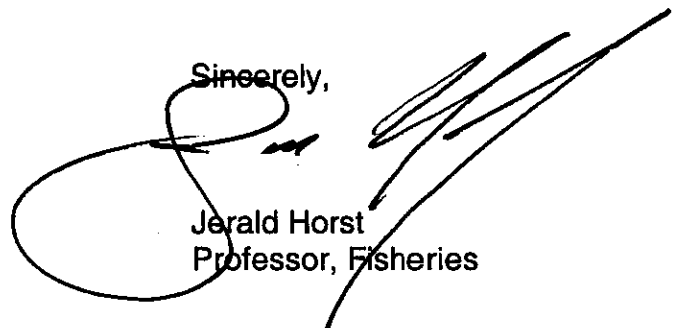
The size of the share or individual quota would be based on the amount of red snappers that the person caught in the past. Currently, 136 Class 1 license-holders exist, who are each allowed 2,000 pounds of landings per trip. Between 480 and 628 class 2 license holders are allowed catches of 200 pounds per trip.

This current system of trip limits is only allowing commercial red snapper fishermen to fish the first 10 days of each month and has created a race to catch the fish, often called a "derby". Under the proposal, fishermen could sell, buy or lease their quota shares to others. It is anticipated that fewer people will be in the fishery, as some share-holders will sell their small shares to other fishermen interested in focusing more of their fishing effort on red snappers. Under the proposed plan, during the first 5 years, shares could be transferred only between fishermen who hold reef fish permits. After 5 years, they could be transferred to any American citizen or legal immigrant.

The ITQ plan is supposed to offer more flexibility, allowing fishermen to fish any time that they wish, until they fill their individual quota. The system would do away with trip limits, seasons and derby fishing.

After public hearings, the Council will create a final version of the ITQ system and commercial red snapper permit holders must approve it by vote.

Sincerely,



Jerald Horst
Professor, Fisheries