

Deposition Testimony of:

Harry Luton

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Page 5:10 to 5:16

00005:10 Q. Good morning, Dr. Luton. My name is David
11 Tressler. I represent BP. Can you state your full name
12 for the record?
13 A. Harry Heathcote Luton, Jr.
14 Q. And who's your employer?
15 A. BOEM. B-O-E-M. We always get new name.
16 Bureau of Ocean Energy Management.

Page 7:13 to 7:15

00007:13 Q. Do you understand that you've been designated
14 today as a Rule 30(b)(6) witness in this deposition?
15 A. Yes.

Page 7:18 to 7:18

00007:18 (Exhibit Number 11921 marked.)

Page 8:05 to 9:07

00008:05 Q. This Topic Number 9 is your knowledge of, role,
06 involvement, and efforts in determining the nature and
07 extent of any economic impacts of the DEEPWATER HORIZON
08 spill and subsequent economic recovery, including BP XP's
09 efforts to mitigate or minimize such impacts and any
10 associated data, analyses or determination of such
11 impacts.
12 Do you see that that is the complete Topic
13 Number 9?
14 A. Yes.
15 Q. And do you understand that with respect to topic
16 Number 9, the U.S. has informed us that you're prepared
17 to testify about two reports --
18 A. Yes.
19 Q. -- published by BOEM?
20 A. Yes. That's correct.
21 Q. The first of those reports is entitled Offshore
22 Oil and DEEPWATER HORIZON Social Effects in Gulf Coast
23 Communities; is that right?
24 A. Yes.
25 Q. And the second report is entitled Assessing the
00009:01 Impacts of the DEEPWATER HORIZON Oil Spill on Tourism in
02 the Gulf of Mexico Region. Is that the second report?
03 A. Yes. Sorry. Yes.
04 Q. That's okay. And you're prepared to testify
05 about Topic Number 9 with regard to these two reports and
06 the content of these reports; is that correct?
07 A. That's correct.

Page 11:08 to 13:01

00011:08 Q. Dr. Luton, where did you attend university? Can
09 you give me a background, a description of your
10 education?
11 A. Well, I have a -- I'll start at the beginning.
12 I have an associate of arts degree from Grand Rapids
13 Junior College, BA from the University of Michigan and
14 MA from Penn and a Ph.D. from the University of
15 Michigan.
16 Q. And what is your Ph.D. in?
17 A. American studies.
18 Q. When did you join BOEM or its predecessor
19 agency, the MMS?
20 A. I think it was in August of 1983.
21 Q. And what positions have you held at BOEM since
22 that time?
23 A. I was hired as an analyst for Arctic social
24 economics and demographics and subsistence impacts. You
25 know, wrote -- wrote environmental impact statement
00012:01 sections on those subjects for Arctic sales of the
02 Alaska region. And in Alaska I moved into the studies
03 program where I oversaw research, essentially Arctic
04 research. I moved from there to the Herndon
05 headquarters office of then MMS, where I was the social
06 science coordinator for the studies program for the
07 regions.
08 And then I came down here and became a
09 social scientist in the studies program here. And that
10 was just with a break of two years after Katrina. I was
11 back in headquarters for a while because my house was
12 gone, so I took two years to get back here.
13 Q. When did you come down to New Orleans the first
14 time to work for BOEM?
15 A. I -- it was about 13 years ago. I don't
16 remember exactly. Let's see when.
17 Q. And after Katrina, you went to --
18 A. Assigned me to headquarters.
19 Q. Before coming back?
20 A. Yes. They assigned me to headquarters for a
21 while, but I wanted to come back here.
22 Q. In your work as a social scientist for the New
23 Orleans --
24 A. Office.
25 Q. -- home office?
00013:01 A. Yes.

Page 18:24 to 19:23

00018:24 Q. Okay. Dr. Luton, do you recognize that document
25 that we just marked as Exhibit 11922?
00019:01 A. Yes. That's the final -- Volume 1, the final
02 report.
03 Q. And there are two volumes of this report --
04 A. That's correct.
05 Q. -- correct?
06 Just to make this go more smoothly, I'd

07 like you to turn to Tab 3. And we'll mark Volume 2 at
08 this time as well.

09 (Exhibit Number 11923 marked.)

10 Q. This will be Exhibit 11923.

11 And do you recognize the document behind

12 Tab 3 that we just marked as Exhibit 11923?

13 A. Yes. That's the second volume of the final
14 report for this study.

15 Q. And on both of these exhibits on the cover at
16 the bottom, there is U.S. Department of Interior, Bureau
17 of Ocean Energy Management Gulf of Mexico OCS Region. Do
18 you see that?

19 A. Yes.

20 Q. And does that indicate the U.S. agency that
21 published these two volumes of this report?

22 A. Yes, it does.

23 Q. Okay. And BOEM paid for this study, correct?

Page 19:25 to 19:25

00019:25 A. BOEM funded this study.

Page 21:06 to 21:14

00021:06 Q. And what role did you play in reviewing drafts
07 of the findings of this study?

08 A. Well, I was the main reviewer, or the one
09 responsible for leading reviews of drafts. And so the
10 drafts would come to me and I would distribute them to
11 my colleagues here and to the social sci -- the social
12 science coordinator in D.C. headquarters who would
13 decide who up there besides him, if anybody, would work
14 on the review.

Page 25:07 to 25:10

00025:07 Q. Dr. Luton, as you've described the process, you
08 have monitored the research study that resulted in this
09 report over the course of the last few years; is that
10 right?

Page 25:12 to 25:15

00025:12 A. I would monitor -- I guess that's a word that
13 could be used. We don't control the -- the report. We
14 just make sure that they're meeting their obligations as
15 stated.

Page 25:19 to 26:08

00025:19 Q. You also reviewed the final draft before it was
20 published?

21 A. Yes.

22 Q. Did you provide any comments or edits to the
23 researchers based on those drafts?

24 A. Yes.

25 Q. Are you prepared to testify today about the
00026:01 findings and conclusions reached by BOEM in this report?

02 A. Yes.

03 Q. And you're also prepared to testify about the
04 author's research methods?

05 A. Yes. Uh-huh. Yes.

06 Q. And also the data information and basis from
07 which the authors drew those conclusions?

08 A. Yes.

Page 27:01 to 27:04

00027:01 Q. Now, the purpose of this study was to assess the
02 effects of the DEEPWATER HORIZON incident and oil spill
03 on the people who live and work in the coastal
04 communities affected by the spill; is that accurate?

Page 27:06 to 27:24

00027:06 A. As far as that statement goes, it's accurate.
07 But really, the -- what we were doing was trying to
08 document responses to the spill and its aftermath
09 activities as they occurred and evolved. You know, it's
10 a rapidly changing situation. And we thought then and
11 think that it's an important body of knowledge that's
12 usually not done when oil spills occur.

13 Q. And the research focused on the coastal counties
14 of Mississippi and Alabama, Lafourche, Terrebonne, East
15 St. Mary, Jefferson, Orleans and Plaquemines Parishes in
16 Louisiana?

17 A. That's correct.

18 Q. So it did not include the coastal communities of
19 Florida, did it?

20 A. It did not.

21 Q. And your report focuses on the short-term
22 effects, those that occurred in approximately the first
23 20 months after the oil spill?

24 A. That's correct.

Page 28:10 to 28:17

00028:10 Q. And what's the primary purpose and function of
11 ethnographic research?

12 A. Well, that's a very broad question. The
13 primary purpose in this particular case was to get an
14 accurate description of the range of responses to the
15 oil spill as it unfolded -- as -- as it unfolded among the
16 study communities and sort of identify, or loosely
17 identify types of industries.

Page 29:25 to 30:01

00029:25 Q. If you could turn, Dr. Luton, to Page 16 of
00030:01 Tab 2.

Page 30:03 to 30:15

00030:03 Q. In the second paragraph, the middle of the
04 second paragraph there's a sentence beginning with the
05 research demonstrates. And the sentence says, The
06 research demonstrates the contribution of ethnographic
07 research to understanding local economic activity and
08 social relationships among places and over time,
09 augmenting information derived from macro-economic
10 statistics, econometric modeling, and journalism.

11 Do you see that sentence?

12 A. Yes.

13 Q. And this is in a description by the authors of
14 the study methods; is that correct?

15 A. That's correct.

Page 30:19 to 30:23

00030:19 Q. Now, the researchers prioritized small cities
20 and communities and businesses and organizations that
21 could be accessed readily using ethnographic research; is
22 that correct?

23 A. That's correct.

Page 30:25 to 31:03

00030:25 A. They -- they came up with a study methodology
00031:01 that would -- that would allow them to track the effects
02 of the spill systematically. And that's the one they
03 came up with, yes.

Page 32:03 to 32:07

00032:03 Q. The report describes the composition and
04 approach of the research team, stating that it varied
05 according to particular researchers' own strength and
06 connections?

07 A. That's correct. That's what it says.

Page 32:18 to 33:01

00032:18 Q. And I think -- and we can look at some examples
19 in this paragraph. The researchers describe instances
20 where the researchers had prior relationship --
21 preexisting relationship with the research subjects?

22 A. Due to earlier research.

23 Q. Uh-huh. In one instance in this paragraph, one
24 community researcher had previously been a participant in

25 the researchers' baseline study of the offshore petroleum
00033:01 industry impacts on her United Houma Nation tribe, right?

Page 33:03 to 33:24

00033:03 A. The -- the methodology here does use local
04 knowledgeable people as people developing some of the
05 interviews.
06 Q. And in this case, in the example that I just
07 cited, one researcher had previously been a subject of
08 the prior study, correct?
09 A. That's correct. That's what it says.
10 Q. In another instance cited here, one ethnographer
11 had what was describe as embedded relationships with the
12 Croatian and Creole communities that predated this study,
13 right?
14 A. That's true. The -- that particular person has
15 spent a career, really, studying that group.
16 Q. And another example cited in this report is a
17 community researcher from Ironton who used family members
18 and friends to develop research contacts, right?
19 A. That's true.
20 Q. And in some cases the community researchers
21 utilized by the study's lead researchers were social
22 service providers and directors of nonprofit
23 organizations operating in the communities in which they
24 were conducting the research, correct?

Page 34:01 to 34:10

00034:01 A. One -- one of the goals of this study was to
02 see how the NGOs involved were and were not -- or the
03 strength and difficulties they face in responding to
04 their clients, I guess you'd call. And you would do
05 that by involving such people in the study.
06 Q. But it's true, isn't it, that the authors
07 describe here that the researchers themselves had a dual
08 role as social service providers and employees of
09 nongovernmental organizations in those communities
10 serving the subjects they were studying, correct?

Page 34:12 to 34:18

00034:12 A. It is true that the -- that some of the people
13 providing research were -- were people acting -- acting
14 in other capacities in the community, including those
15 capacities.
16 Q. How did the researchers control for -- for bias
17 in a sample?
18 A. I guess --

Page 34:20 to 36:10

00034:20 A. I think I have to give a kind of long answer to
21 that question to explain it.

22 You know, when you wanted to do something
23 like this, like track these effects, you -- you have to
24 think of effective ways of doing it. And -- and it's
25 not sort of mystical. It's the sort of things that you
00035:01 have to think about when you're developing any kind of
02 coherent, empirically-based view of something. Probably
03 isn't much different than what lawyers do in dealing
04 with a court case.

05 People seem to think that the most
06 unbiased objective approach to something like this would
07 be some kind of sampling. But to do sampling, you have
08 to know two things that in a case like this you couldn't
09 possibly know. One -- one of them is who's going to be
10 affected. You know, events were unfolding and nobody
11 had any clue over who was going to be affected. But to
12 have a true sampling frame, you have to know.

13 And then the other thing you have to know
14 is what questions to ask. That is, you have to kind of
15 know the range of the effects. And those aren't known,
16 either. So you need some other approach. And this is
17 the most rational, reasonable approach that we know of.
18 And it isn't just helter-skelter going into a community
19 and asking people you like what their opinion is. It's
20 a -- it's based on two things that help to control for
21 what you're asking about.

22 One is you -- well, first of all, what
23 you're seeking is not a measure of how many people feel
24 one way versus another. What you're trying to identify
25 is the range of effects or responses, or however you
00036:01 want to describe it, that were occurring. And how you
02 do it is by entering the area, the community that you're
03 worried about or concerned with from different
04 directions and networking off of those entry places.
05 And it's a series of them.

06 So you have a group that might be -- have
07 some ax to grind here, but another group that you
08 network off of doesn't, or has a different ax to grind.
09 So that's part of it. It's -- it's called this snowball
10 technique, often.

Page 36:16 to 37:03

00036:16 A. You get a broad range of people involved with
17 it, and a wide range. So that's part of it. And part
18 of it is you use other materials to evaluate these
19 responses, like going to meetings and getting the notes,
20 going to city council meetings and seeing what's
21 happened.

22 So one could say, yeah, this might not be
23 a perfect methodology. For example, you can't end up
24 with a good estimate of how many people feel one way or
25 another as a percentage. But it's the best method and
00037:01 maybe the only effective method of coming up with a

02 range of behaviors in a group in the spill. I mean,
03 that's how we see it.

Page 37:12 to 37:15

00037:12 Q. (By Mr. Tressler) Dr. Luton, in this report
13 there is nowhere in which the authors describe the steps
14 they took to control for subject or researcher bias in
15 their ethnographic methods, is there?

Page 37:17 to 37:23

00037:17 A. I would -- I guess not, other than the -- as I
18 stated, the approach that is used controls for it and --
19 or addresses it by using multiple sources.
20 Q. You described the methods used by the
21 researchers which, as we saw, included researchers using
22 family and friends to establish research contacts,
23 correct?

Page 37:25 to 38:01

00037:25 A. That's -- that's -- in some examples that's
00038:01 what it used. In others, it didn't.

Page 39:23 to 40:01

00039:23 Q. Okay. So how do we know the participants didn't
24 refer researchers to like-minded individuals with similar
25 experiences?

00040:01 A. That was --

Page 40:03 to 40:19

00040:03 A. -- exactly the -- the point I was making about
04 when you address a -- a question like this, you enter
05 the community from different groups and different places
06 and network out from it. You don't know that every
07 person shares the same experience. In fact, you know
08 they don't.

09 Q. And --

10 A. And you also, I suppose, presumably -- you can
11 presume that some people exaggerate. It's true in all
12 other walks of life. But what you do is you collect a
13 number of accounts from many perspectives and -- and
14 evaluate them in terms of the range of perspectives and
15 the other material you have collected.

16 I -- I don't know how else you can deal
17 with it. I mean, you act -- you're -- you know, the
18 assumption here is that some other approach is less bias
19 inherently, but that's not the case.

Page 43:04 to 43:10

00043:04 Q. Was this report produced, or the study
05 commissioned for purposes of this litigation?
06 A. Absolutely not. It was -- it was produced long
07 before any litigation occurred.
08 Q. Okay.
09 A. And without knowledge of how -- what kind of
10 issues were going to unfold.

Page 44:14 to 45:03

00044:14 Q. If you turn to Page 16 in Tab 2. In the middle
15 of the second paragraph, there's a --
16 A. Oh. Okay.
17 Q. -- there's a description by the authors of the
18 research. Do you see that?
19 A. Yes.
20 Q. It begins with the research demonstrates.
21 This report, it doesn't claim to replace
22 economic impact assessments or a macroeconomic study; is
23 that correct?
24 A. That's correct.
25 Q. And the report describes the research as, quote,
00045:01 augmenting information derived from macroeconomic
02 statistics, econometric modeling and journalism, correct?
03 A. Correct.

Page 45:11 to 45:13

00045:11 Q. So economic statistics and data may show very
12 different results than the information provided by
13 individual interviewees used as a basis for this report?

Page 45:15 to 46:12

00045:15 A. I don't exactly understand. It seems like this
16 is a -- a point you're arguing. But what I'd say is
17 that if what you're looking at is the range of responses
18 of -- that -- that occurred and not trying to measure
19 them, what you -- what you're getting would be very
20 different from what you'd be getting if you were trying
21 to measure them because you're looking at something
22 else. But there's no assumption in that that they would
23 contradict each other, just that they'd be different.
24 Q. But they could show very different things?
25 A. They would show very different things because
00046:01 they're looking at different things. I -- I guess it
02 would be sort of like looking at Mars from a telescope
03 that might give you certain kinds of information about
04 what's on the ground and -- and looking at what a Rover
05 would get you, which would be at such a different focus
06 it might not see the same thing. But it certainly would
07 not contradict the other.

08 Q. They may contradict or may not?
09 A. No. It would be something that the other isn't
10 doing.
11 Q. Uh-huh. But the researchers here did not gather
12 systematic data; is that right?

Page 46:14 to 46:22

00046:14 A. They did gather a systematic data, just not on
15 the value of effects. It wasn't an attempt to do that.
16 They systematically approached the community and
17 gathered systematically the range of responses in -- in
18 certain categories.
19 Q. So the systematic data that you're referring to
20 are the conversations and drop-in interviews and oral
21 histories that they did with individuals?
22 A. Yes.

Page 58:20 to 58:23

00058:20 Q. And as you said, it's difficult to measure the
21 effects in some communities because it couldn't be
22 distinguish from the effects of the hurricane season,
23 correct?

Page 58:25 to 59:13

00058:25 A. Well, I didn't say that. It said that
00059:01 because -- well, yeah, in some cases. But it also meant
02 in some cases that the effects were worse because there
03 were sort of less, say, flexibility in getting capital
04 to repair something, you know, because you were already
05 in debt.
06 Q. That was a factor that was external to the spill
07 that -- that was also having an effect on those
08 communities, right?
09 A. Well, it's the situation that the spill
10 occurred in. You know, all factors, I suppose, are
11 external to us all, including where it lands. You know,
12 it happens to be the conditions that were there before
13 the spill.

Page 62:02 to 62:06

00062:02 Q. Dr. Luton, I'm going to turn back to Tab 2, the
03 first exhibit, which is Volume 1 of the BOEM report.
04 Do you agree that as stated in the BOEM
05 report that the effects of the oil spill on coastal
06 communities diverged, depending on a variety of factors?

Page 62:08 to 62:19

00062:08 A. That's what the report says. And we would

09 agree with that, yes.
10 Q. And I'm -- am I correct that by diverged, you
11 mean that the effects on different communities were
12 different?
13 A. Correct.
14 Q. And those differences depended on various
15 factors?
16 A. Correct.
17 Q. And the report describes some of those factors,
18 such as whether or not oil came ashore or nearby, right?
19 A. Yes.

Page 63:01 to 63:05

00063:01 Q. Was it the case, based on your knowledge of this
02 study conducted for this report, that there were
03 communities for which the economic impact of the spill
04 was lower than in other communities because of factors
05 like these?

Page 63:07 to 63:07

00063:07 A. Yes.

Page 64:04 to 64:18

00064:04 Q. At the end of the paragraph, the first
05 paragraph. In the BOEM report's discussion of responses,
06 the authors write, Add that the disaster began during the
07 worst recession the region had experienced in decades and
08 followed years of unusual economic activity tied to
09 post-hurricane rebuilding, and it is clear why neither
10 residents nor the researchers could readily separate the
11 effects of the disaster from the effects of other events.
12 That's a finding of the authors of this
13 BOEM report, right?
14 A. It says that it wasn't easily done, yes.
15 Q. And the report also observed that high gas
16 prices and the national recession were major factors
17 affecting Gulf Coast tourism in 2011, correct?
18 A. Yes.

Page 69:07 to 70:02

00069:07 Q. And the BOEM report published in 2014 to study
08 the effects of the spill on people and communities in the
09 Gulf Coast did not attempt to study how any negative
10 effects of the spill were being mitigated, did it?
11 MS. FIDLER: Objection to form and scope.
12 A. You're talking about the -- the Volume 1 and 2
13 again?
14 Q. Yes. I'm talking about Volume 1 and 2 of the
15 BOEM report on social effects.

16 A. I would say that the -- the BOEM report
 17 discusses all actions or a great number of actions that
 18 were taken after the spill that affected the outcome.
 19 So mitigation or not, you know, I'd say that the -- the
 20 study was -- was a description of -- of responses and
 21 without an attempt to measure the outcomes. And so I
 22 wouldn't say that it excluded things that you might take
 23 as mitigation, but it certainly didn't address them
 24 at -- that way with that term.

25 Q. And as you said, it did not attempt to measure
 00070:01 the outcomes of any efforts to mitigate the economic
 02 impact of the spill?

Page 70:04 to 70:09

00070:04 A. It did not attempt to measure outcomes of any
 05 aspect of the oil spill.

06 Q. And when you say any aspect, included in that
 07 are any efforts to mitigate the negative economic effects
 08 of the spill, correct?

09 A. If --

Page 70:11 to 70:20

00070:11 A. -- we -- we look at the spill not as a spill
 12 and separate events afterwards but as -- as sort of the
 13 evolving consequences of the spill are these things that
 14 are often here being discussed as separate. You know,
 15 you can't really look at the spill and say, oh, but the
 16 conditions onshore are external to the spill.

17 You know, the biology on the shore is
 18 external to the spill, too, in that sense. But the
 19 spill happened in a certain context, and that's the
 20 context that defines the outcome.

Page 75:25 to 76:01

00075:25 Please turn to Tab 2, which is Volume 1 of
 00076:01 the BOEM report on social effects of the DEEPWATER

Page 76:11 to 76:15

00076:11 Q. And with regard to the economic effects of the
 12 spill, do you agree that for many commercial fishermen
 13 and seafood businesses, their losses were made whole by
 14 participating in cleanup effort and receiving claims
 15 payments?

Page 76:17 to 76:25

00076:17 A. This study indicates that that's probably the
 18 case with some. With -- with -- maybe with some and
 19 that wasn't the case for all.

20 Q. And your report also found that for many
 21 commercial fishermen and seafood businesses, they
 22 sustained economic losses but through BP claims payments
 23 and participation in the cleanup, those losses were
 24 mitigated and they were, quote, made good, as the BOEM
 25 report puts it; is that right?

Page 77:02 to 77:23

00077:02 A. That's what the -- many of the people that were
 03 interviewed report, yes.

04 Q. Many of the people interviewed by BOEM
 05 researchers --

06 A. Right.

07 Q. -- told them that they were made good by BP
 08 claims payments and participating in the cleanup, right?

09 A. That's what the report says, yes.

10 Q. And this is a report commissioned and paid for
 11 by the U.S. government?

12 A. By BOEM, yes.

13 Q. If you could turn to Tab 3, which is Volume 2 of
 14 the BOEM report. And turn to Page 208.

15 In the middle of the first full paragraph
 16 on that page there's a sentence that says, The monetary
 17 inputs that individuals and companies received in
 18 exchange for participation in cleanup efforts and payment
 19 of initial emergency claims helped reduce the immediate
 20 economic effects of the disaster.

21 Do you agree that BOEM included this
 22 finding in its report?

23 A. Yes.

Page 77:25 to 78:04

00077:25 Q. And -- in other words, for some of these
 00078:01 individuals and companies, BP's emergency claims payments
 02 and the money that BP spent on cleanup efforts, the
 03 immediate effects economically of the spill were
 04 minimized?

Page 78:06 to 78:20

00078:06 Q. Right?

07 A. I guess what I want to --

08 Q. Well --

09 A. What I -- yes. That -- you know, this report,
 10 the methodology captures the range of events. And one
 11 of the events that it showed was that these -- that the
 12 cleanup efforts and -- and payments very much helped out
 13 some of the people that had been damaged by the spill.

14 Q. And in fact, this is -- Page 208 is in Chapter 9
 15 of the report, which is the summary of major findings in
 16 this BOEM report, correct?

17 A. Yes.

18 Q. And so this is an aggregation of the
19 researchers' major findings based upon all of their
20 research throughout the Gulf region, right?

Page 78:22 to 78:23

00078:22 A. It found that many people were helped and not
23 everybody was helped.

Page 79:08 to 79:19

00079:08 Q. Okay. And one of their findings was that the,
09 quote, the monetary inputs that individuals and companies
10 received in exchange for participation in cleanup efforts
11 and payment of initial emergency claims helped reduce the
12 immediate economic effects of the disaster?

13 A. That's correct.

14 Q. Okay. And also on that page, two sentences
15 above that one, this BOEM study also found that in the
16 fall of 2010 following the summary fishing, tourism and
17 hurricane seasons, the impact of the disaster were not as
18 great as expected. That's a finding of this BOEM study,
19 right?

Page 79:21 to 79:23

00079:21 A. That -- that is correct.

22 Q. And in fact, the authors concluded and wrote
23 this multiple times in this report, didn't they?

Page 79:25 to 79:25

00079:25 A. That's correct.

Page 80:08 to 80:11

00080:08 Q. And at the end of that paragraph, the study's
09 authors write that because of the money that was put into
10 the region in the short-term, the initial economic
11 impacts weren't as great as expected.

Page 80:13 to 80:15

00080:13 Q. Correct?

14 A. Yes. I mean, this is a -- one of the things
15 that this study found.

Page 81:12 to 81:19

00081:12 Q. If you turn back to Page 205, Dr. Luton.
13 The report also refers to the Vessel of

14 Opportunity program. You're familiar with the Vessels of
15 Opportunity program?
16 A. Yes.
17 Q. You're aware that this report finds that many
18 workers, boat owners who participated in the VOO program
19 made a lot of money in that program, right?

Page 81:21 to 82:08

00081:21 A. That's correct. That's in the report.
22 Q. The report also cites BP's funding for festivals
23 and concerts to promote tourism in places like Baldwin
24 County, Alabama, correct?
25 A. That's correct.
00082:01 Q. And you're familiar with those findings?
02 A. Uh-huh.
03 Q. Is that a yes?
04 A. Yes. Yes. Sorry.
05 Q. And this U.S. research study concludes that the
06 initial economic impacts of the spill were not as great
07 as expected because of the money that was put into the
08 region in the short-term?

Page 82:10 to 82:17

00082:10 A. That's -- I -- I would have to read. But as I
11 recall the findings, that was one of the reasons that it
12 wasn't as great as expected.
13 Q. And you're familiar enough with the findings of
14 this BOEM research study to know that most of that money
15 was BP money paying for cleanup and response, paying
16 emergency claims, funding the Vessels of Opportunity
17 program, and other funding, correct?

Page 82:19 to 82:25

00082:19 A. Yes. Yes.
20 Q. Dr. Luton, I'd like you to turn back to Tab 2,
21 Volume 1 of the report.
22 As the response -- the physical response to
23 the oil spill got going, spill subcontractors contracted
24 by BP sought thousands of workers to assist with the
25 cleanup, right?

Page 83:02 to 83:02

00083:02 A. Yes.

Page 83:25 to 83:25

00083:25 (Exhibit Number 11926 marked.)

Page 84:11 to 84:14

00084:11 Q. Do you agree that this response work provided
12 employment for the response and cleanup workers, some of
13 whom may have been unemployed and some of whom may have
14 had their usual livelihoods affected by the spill?

Page 84:16 to 84:20

00084:16 A. The -- the -- yes. That is discussed, you
17 know, quite clearly in this report. Our report.
18 Q. And the report finds that workers who
19 participated in the cleanup were compensated, correct?
20 A. Yes. Yes.

Page 84:22 to 84:22

00084:22 Q. Some of whom were compensated quite well?

Page 84:24 to 84:24

00084:24 A. Yes.

Page 85:03 to 85:06

00085:03 Q. Is it true, Dr. Luton, that BP helped to
04 mitigate the effect of the spill on fishermen by creating
05 the Vessels of Opportunity program to employ local boat
06 owners and operators to assist with the response?

Page 85:08 to 85:24

00085:08 A. Again, I'll -- I'll have to say, you know, I
09 don't know how the term "mitigation" is being used here.
10 But certainly, as discussed in -- in this report, the --
11 the Vessels of Opportunity was very helpful for many
12 fishermen, and not all. You know, it had its strength
13 and weaknesses, as that goes, like things do.
14 Q. And if you turn to Page 13 of Tab 2, back to
15 Volume 1.
16 So you mentioned that you weren't sure what
17 was meant by the term "mitigate," but in the first -- in
18 the second full paragraph, second to last sentence.
19 A. I see it, yes.
20 Q. Your BOEM report states that to help mitigate
21 the effect of the disaster on fishermen, BP created the
22 Vessels of Opportunity program to employ local boat
23 owners and operators to deliver boom and to seek and
24 clean up oil. Correct?

Page 86:01 to 86:02

00086:01 A. That's what the report says. That's how it
02 describes this, yes.

Page 87:20 to 88:03

00087:20 Q. (By Mr. Tressler) So from what you're saying,
21 Dr. Luton, it sounds that you agree with the researchers
22 who wrote this report, that many fishermen did benefit
23 from participation in the Vessels of Opportunity program,
24 correct?

25 A. Yes.

00088:01 Q. And your report also recognizes that the program
02 also helped others besides fishermen, right?

03 A. Correct.

Page 88:05 to 88:10

00088:05 Q. And it helped both fishermen and non-fishermen
06 to, quote, make a lot of money, right?

07 A. Some to make a lot of money, yes.

08 Q. And that's because, as you understand,
09 participation in the Vessels of Opportunity program was
10 lucrative for many?

Page 88:12 to 88:14

00088:12 A. Yes.

13 Q. And it paid more than what some participants
14 normally earned in a day, correct?

Page 88:16 to 88:16

00088:16 A. Yes.

Page 89:03 to 89:04

00089:03 Q. Those with vessels made substantial profits?

04 A. Those with vessels that were hired. Right.

Page 90:10 to 90:22

00090:10 Q. Page 50. Correct. And this is Volume 2 of the
11 BOEM report. In the third sentence in the first
12 paragraph.

13 This BOEM report finds that fishermen who
14 worked for VOO, Vessels of Opportunity, for a significant
15 amount of time built up a financial reserve they used to
16 maintain their vessels, do repairs or pay down debts,
17 helping some return to fishing, while others took the
18 rest of 2010 off.

19 Do you see that conclusion --

20 A. Yes.

21 Q. -- of the BOEM report?
22 A. Yes, I do.

Page 91:15 to 91:19

00091:15 Q. And the report found, even after making that
16 point, that fishermen who worked for VOO made enough
17 money that they were able to build up a financial reserve
18 that they used to maintain their vessels, do repairs, pay
19 down debts or take the rest of 2010 off, correct?

Page 91:21 to 91:22

00091:21 A. That's correct. That's correct. That's what
22 the report says.

Page 92:01 to 92:05

00092:01 Q. You also understand that fishermen that
02 participated in the Vessels of Opportunity program who
03 were paid claims money by BP did not have to deduct their
04 earnings from the Vessels of Opportunity from their
05 claims, right?

Page 92:07 to 92:09

00092:07 A. I don't know if that's in the report. You
08 know, that was a decision -- I remember it being made.
09 I mean, it was -- I know that. Yes.

Page 92:12 to 92:18

00092:12 Q. -- BP and BP, through the GCCF, did not deduct
13 Vessels of Opportunity earnings from claims payment,
14 correct?
15 A. Yes. I do know that.
16 Q. So that fishermen who were participating in the
17 Vessels of Opportunity program making, as you describe, a
18 lot of money, also got claim payments, correct?

Page 92:20 to 92:21

00092:20 A. Yes. Those that made claims, yes. Some
21 didn't.

Page 94:12 to 94:17

00094:12 Q. Your understanding is that BP's payments of
13 substantial amounts of money early after the spill and
14 getting it to individuals and businesses quickly
15 minimized the spill's impact on those individuals and

16 businesses, right?

17 A. Yes.

Page 94:19 to 94:23

00094:19 Q. Your report notes -- finds that for the period
20 from April of 2010, shortly after the spill until
21 August 23rd, 2010, when the Gulf Coast Claims Facility
22 took over claims payments, BP paid \$399 million to
23 127,000 claimants, right?

Page 94:25 to 95:02

00094:25 A. That's -- yes.

00095:01 Q. And BP started paying claims right away, didn't
02 it?

Page 95:04 to 95:07

00095:04 A. Yes.

05 Q. In fact, the report finds that BP ramped up its
06 claim process right after the explosion and start of the
07 spill, didn't it?

Page 95:09 to 95:09

00095:09 A. Yes.

Page 95:20 to 95:24

00095:20 Q. BP paid substantial sums of money to people
21 without request for any documentation or requirement that
22 they waive any right to sue BP in order to get money into
23 people's hands?

24 A. Yeah.

Page 96:01 to 96:05

00096:01 A. That's how I remember --

02 Q. That's your understanding?

03 A. -- the payment system working, yes.

04 Q. And your understanding is that had an effect on
05 those communities?

Page 96:07 to 96:10

00096:07 A. Yes.

08 Q. Because when millions of dollars are paid into
09 communities, that is going to have an economic effect,
10 correct?

Page 96:12 to 96:16

00096:12 A. Yes.

13 Q. And in the initial claims process, to which I
14 think you were referring, under that, claimants could get
15 up to \$5,000 per month through this process without
16 having to waive any right to sue BP, correct?

Page 96:18 to 96:19

00096:18 A. As I understand it, that was the initial
19 process.

Page 97:16 to 97:22

00097:16 Q. And that respondent, who is a claims worker,
17 reported to your researchers that in those first few
18 weeks they would go driving around and if they found a
19 group of fishermen, they would write them a check, right?

20 A. Yes.

21 Q. Is that what the claimant reported to your
22 researchers?

Page 97:24 to 98:04

00097:24 A. Yes.

25 Q. And this claims worker reported to researchers
00098:01 that they would write them a \$5,000 check and were
02 authorized to write these checks to individuals by BP,
03 correct?

04 A. Correct.

Page 98:11 to 98:12

00098:11 Q. Okay. And those initial payments had a positive
12 economic effect on those individuals?

Page 98:14 to 98:14

00098:14 Q. Didn't it?

Page 98:16 to 98:16

00098:16 A. I -- yes. That's what the report says.

Page 99:20 to 99:23

00099:20 Q. And you understand that your report notes that
21 by December 2010, BP paid 23,168 individuals and
22 businesses from the seafood industry more than
23 \$639 million, right?

Page 99:25 to 100:02

00099:25 A. Yes.

00100:01 Q. But this was only a relatively small percentage,
02 13.9 percent, of the paid emergency advance payments?

Page 100:04 to 100:04

00100:04 Q. Correct?

Page 100:06 to 100:10

00100:06 A. Yes.

07 Q. Your report further notes that from December to
08 March of 2012, the GCCF paid an additional 12,988
09 payments to commercial fishing claimants, totaling more
10 than \$244.4 million, right?

Page 100:12 to 100:21

00100:12 A. Yes.

13 Q. And during that same period, the GCCF paid
14 another 5,407 seafood processing and distribution
15 claimants 216.3 million, right?

16 A. Correct.

17 Q. These are not small amounts of money, are they,
18 Dr. Luton?

19 A. No, not to me.

20 Q. And these claim payments had an economic effect
21 in the Gulf region, didn't it?

Page 100:23 to 101:02

00100:23 A. Yes.

24 Q. Your report also documents that the largest
25 number of claims paid by BP were to individuals and
00101:01 businesses and food, beverage and lodging and retail
02 sales and service industries. Do you recall that?

Page 101:04 to 101:09

00101:04 A. Yes, I do.

05 Q. So BP paid a lot of money not only to
06 individuals and businesses in commercial fishing and
07 seafood processing and the seafood industry, but also to
08 these broad categories covering individuals and
09 businesses, correct?

Page 101:11 to 101:11

00101:11 A. Correct.

Page 101:21 to 101:24

00101:21 Q. And when added to the 399 million paid by BP
22 prior to the GCCF forming, the total paid by BP to
23 individuals and businesses in claims payments was
24 approximately \$3.1 billion, correct?

Page 102:01 to 102:10

00102:01 A. Yes.
02 Q. Is that consistent with your --
03 A. Yes.
04 Q. -- understanding of the BOEM report's
05 conclusions --
06 A. Yes.
07 Q. -- or findings?
08 And that \$3.1 billion has an economic
09 effect -- had an economic effect in Gulf communities
10 along the coast and throughout the Gulf region, correct?

Page 102:12 to 102:13

00102:12 A. Yes.
13 Q. A substantial impact?

Page 102:15 to 102:19

00102:15 A. Yes.
16 Q. And that substantial impact by those claims
17 payments paid early after the spill helped to minimize
18 the economic effects of the spill in the region, didn't
19 it?

Page 102:21 to 102:21

00102:21 A. Yes.

Page 103:09 to 103:14

00103:09 Q. So based on what you understand from this
10 report, you agree that the substantial amount of money
11 that BP paid in claims from the summer of 2010 into 2011
12 and 2012 in the order of billions of dollars had a
13 minimizing economic effect in the region against the
14 economic effects of the spill?

Page 103:16 to 103:18

00103:16 Q. Correct?
17 A. I would agree that it helped reduce the

18 economic impacts of the spill.

Page 107:02 to 107:05

00107:02 Q. And that's what you understand to be the case,
03 that BP gave \$179 million to the four states -- or local
04 counties or bureaus in those states to promote tourism,
05 correct?

Page 107:07 to 107:07

00107:07 A. Yes.

Page 107:23 to 107:25

00107:23 Q. You agree that the tourism promotion funds
24 granted by BP to the Gulf states contributed to the
25 recovery of tourism in the Gulf region, correct?

Page 108:02 to 108:07

00108:02 A. Yes. That was the finding here.
03 Q. And in some cases, BP funds to promote tourism
04 that supported local events like fishing tournaments or
05 fishing rodeos contributed to a doubling of attendance
06 from the 2009 pre-spill attendances at those events,
07 right?

Page 108:09 to 108:12

00108:09 A. It -- it contributed to it, yes.
10 Q. And in some cases, BP tourism grant money was
11 used by state or counties to promote new events and new
12 tourist development opportunities, correct?

Page 108:14 to 108:16

00108:14 A. That's correct.
15 Q. And that contributed to new inflows of tourists
16 and tourism money into those states, didn't it?

Page 108:18 to 108:22

00108:18 A. Yes.
19 Q. So BP's grant money supporting these events
20 along the coast had a positive contributing impact on the
21 recovery of tourism and tourism businesses in those
22 areas, right?

Page 108:24 to 108:24

00108:24 A. Yes.

Page 109:08 to 109:10

00109:08 Q. So the BOEM report is documenting this strong
09 record-breaking recovery in tourism in this area of
10 Orange Beach and Gulf Shores, Alabama, correct?

Page 109:12 to 109:17

00109:12 A. Yes.
13 Q. And further up that paragraph, you see that this
14 report documents that BP tourism grant money was also
15 used to increase and develop new forms of advertising and
16 to sponsor research benefitted to tourism, right?
17 A. Yes.

Page 110:14 to 110:15

00110:14 Q. And hotels along the coast housed BP workers and
15 cleanup workers and were often full, correct?

Page 110:17 to 111:01

00110:17 A. Yes. What the report said is in areas where
18 the cleanup was active, that's what happened. It also,
19 I think, mentioned that in some cases the contract --
20 the contracts -- what was being paid for rooms was lower
21 than for normal tourism. But they certainly benefited
22 from this.
23 Q. Hotels along the Gulf Coast that were -- that
24 had full occupancy because of cleanup workers were not
25 harmed in the same degree as other hotels in other areas,
00111:01 correct?

Page 111:03 to 111:04

00111:03 A. That's -- that's correct. That's what the
04 finding found, yes.

Page 113:23 to 114:04

00113:23 Q. And so this BOEM report, although published in
24 June of 2014, reflects information from 2010 and 2011,
25 correct?
00114:01 A. That's correct.
02 Q. And does not contain any information or data
03 after that period?
04 A. That's correct.

Page 114:06 to 114:06

00114:06 A. That's correct.

Page 120:02 to 120:05

00120:02 Q. Dr. Luton, would you agree that at the time of
03 the well blowout at Macondo, the petroleum industry had
04 been experiencing a slowdown driven in large part by the
05 2008 recession?

Page 120:07 to 120:15

00120:07 A. That is what the report says. And -- and it's
08 my understanding, too.
09 Q. So this BOEM report to which you were designated
10 to testify today by the United States contains that
11 finding, correct?
12 A. It makes that statement. Right.
13 Q. And that slowdown was not unusual, given the
14 highly cyclical nature of the petroleum industry, right?
15 A. Correct.

Page 122:18 to 122:25

00122:18 Q. You examined -- we just discussed BP's effort to
19 compensate unemployed rig workers --
20 A. Yes.
21 Q. -- in the rig worker compensation fund.
22 And in this report in association with
23 their study of that part of the industry, the U.S.
24 concluded that job losses associated with this disaster
25 were not as great as predicted, correct?

Page 123:02 to 123:02

00123:02 A. The -- the study found that. Yes.

Page 123:16 to 123:20

00123:16 Q. And the BOEM report also observed that the oil
17 and gas industry in the Gulf of Mexico had entered a
18 downturn and at the same time, oil and gas development
19 was expanding onshore in places like northern Louisiana,
20 Texas, North Dakota and Pennsylvania; is that right?

Page 123:22 to 123:25

00123:22 A. Yeah. That's the big shale oil discovery.
23 Q. And the shale oil discovery and the impact that
24 was having on the oil and gas industry is an independent
25 factor that affects the industry, correct?

Page 124:02 to 124:07

00124:02 A. That affects -- yes. Yes. As far as its
03 affect on offshore oil activity, you're saying, yes.
04 Q. And that makes it difficult to distinguish the
05 effects of the DEEPWATER HORIZON accident and its
06 aftermath from these other changes taking place within
07 the petroleum industry, right?

Page 124:09 to 124:09

00124:09 A. Yes. It makes it difficult.

Page 130:12 to 130:15

00130:12 Q. You recall testifying that, and confirming, that
13 the researchers that authored the BOEM report did not
14 look at data or information after 2011?
15 A. That's correct.

Page 130:21 to 130:23

00130:21 Q. You agree that the researchers could have gone
22 back to their research subjects prior to the publication
23 in 2014 of this report --

Page 130:25 to 131:01

00130:25 Q. -- to ask them about their experience in 2011,
00131:01 2012 and 2013, right?

Page 131:03 to 131:04

00131:03 A. They could have. But we weren't supporting a
04 study for them to do so.

Page 133:02 to 133:04

00133:02 Q. Okay. And ethnographic data aside, there's also
03 macroeconomic data and statistics available to shed light
04 on the economic effects of the spill since 2011, correct?

Page 133:06 to 133:15

00133:06 A. There's -- there's economic data on the
07 current -- on the condition of the -- of the industry,
08 yes.
09 Q. Well, I'm not asking about the industry. But
10 there is economic data on the current condition of
11 communities and states in the Gulf region, correct?
12 A. Correct.

13 Q. And so just because the -- the BOEM report
14 doesn't include that data in its analysis doesn't mean
15 that it's not available, right?

Page 133:17 to 133:17

00133:17 A. Correct.

Page 135:09 to 135:22

00135:09 Q. Dr. Luton, we confirmed earlier that you're
10 prepared to testify about a second BOEM report entitled
11 Assessing the Impacts of the DEEPWATER HORIZON Oil Spill
12 on Tourism in the Gulf of Mexico Region; is that right?

13 A. That's correct.

14 Q. If you turn to Tab 4 in your binder. I will
15 mark the document in Tab 4 as Exhibit 11929.

16 (Exhibit Number 11929 marked.)

17 Q. Do you recognize that document, Dr. Luton?

18 A. It's -- it's a study that you're referring to
19 on effects on tourism and recreation.

20 Q. Okay. And this report and the study on which it
21 was based were commissioned and funded by BOEM, right?

22 A. That's correct.

Page 140:20 to 140:23

00140:20 Q. And for purposes of this deposition, can I refer
21 to this report as the BOEM tourism report, just for
22 shorthand?

23 A. Yes, you may.

Page 142:10 to 142:17

00142:10 Q. And geographically, the study focused on 64
11 counties and parishes in the Gulf region, 54 of which are
12 coastal counties, correct?

13 A. That's correct.

14 Q. This is a larger number of counties than was
15 studied in the BOEM report that we discussed this morning
16 on the social effects?

17 A. That's correct.

Page 142:19 to 142:19

00142:19 A. That's correct.

Page 143:09 to 143:16

00143:09 Q. So in discussion with the researchers, BOEM
10 selected the subset of counties that would be studied?

11 A. Yeah. After -- after the contract was awarded.

12 Yes.
13 Q. Okay. And one of the factors used in selecting
14 those counties was the extent to which it was impacted by
15 the oil spill?
16 A. That was one of the factors.

Page 145:01 to 145:08

00145:01 Q. If you turn, Dr. Luton, to the page of the
02 report ending in Bates Number 125. Page 12 of the
03 report, Bates number ends in 125.
04 A. Yes.
05 Q. The report used data from the Gulf Coast Claims
06 Facility to determine how much BP paid to tourism and
07 recreation businesses between August of 2010, March of
08 2012, correct?

Page 145:10 to 145:18

00145:10 A. It -- you -- it does summarize that data, yeah.
11 Q. Within the scope of the 64 counties study in
12 this report, right?
13 A. Yes.
14 Q. And so referring to this chart in the BOEM
15 tourism report, the U.S. is aware, isn't it, that BP paid
16 over \$1.9 billion to tourism and recreation businesses in
17 the 64 counties studied in the Gulf region through the
18 GCCF?

Page 145:20 to 146:01

00145:20 A. That's what the paper reports, yes.
21 Q. And this doesn't include any payments made under
22 the economic and property damages settlement claims
23 program that took over from the GCCF after --
24 A. Yes.
25 Q. -- after March of 2012?
00146:01 A. Yes.

Page 146:05 to 146:09

00146:05 Q. Now, more specifically, the U.S. is aware that,
06 as included in this BOEM tourism report, that BP paid
07 more than \$1 billion for Florida tourism and recreational
08 related claims by individuals and businesses through the
09 GCCF, right?

Page 146:11 to 146:16

00146:11 A. Correct. That's reported in this table.
12 Q. And the U.S. is aware that BP paid more than
13 520 million for Louisiana tourism and recreation related
14 claims by individuals and businesses paid through the

15 GCCF, correct?
16 A. Correct.

Page 146:18 to 146:21

00146:18 Q. U.S. is also aware from this BOEM tourism report
19 that BP paid more than 225 million for Alabama tourism
20 and recreation related claims by individuals and
21 businesses through the GCCF?

Page 146:23 to 147:02

00146:23 A. That's also in the table, yes.
24 Q. And finally, the U.S. is aware that BP paid more
25 than 124 million for Mississippi tourism and recreation
00147:01 related claims by individuals and businesses through the
02 GCCF?

Page 147:04 to 147:10

00147:04 A. Yes. That's in the table, too.
05 Q. And these are for the 64 in scope counties of
06 the study?
07 A. That's correct.
08 Q. Now, the report also estimated the change in
09 tourism employment by county or parish, using quarterly
10 tourism employment data, correct?

Page 147:12 to 147:16

00147:12 A. That's -- that's correct.
13 Q. And if we turn the page to Page 13 of the report
14 with a Bates stamp ending in 126, you see that the report
15 summarizes the results of the study's investigation into
16 tourism employment data, correct?

Page 147:18 to 147:18

00147:18 A. Yes.

Page 148:02 to 148:06

00148:02 Q. And so in Alabama counties before and after the
03 spill, BOEM tourism report concludes that there was not a
04 large shift in tourism employment but employment numbers
05 either held steady or slightly increased by three
06 percent, right?

Page 148:08 to 148:08

00148:08 A. That's what the report found. Yes.

Page 148:22 to 149:07

00148:22 Q. And the U.S. is also aware from this report that
23 individuals in Baldwin County, Alabama were paid more
24 than 68.9 million for tourism and recreation related
25 claims through the GCCF, right?
00149:01 A. That's correct.
02 Q. Turning back to Page 13 of the report, which is
03 marked with the Bates number ending in 126.
04 The U.S. finds here that a comparison of
05 Baldwin County quarters in 2009 to 2011 showed employment
06 increases ranging from nine percent to 14 percent.
07 Correct?

Page 149:09 to 149:16

00149:09 A. That's correct.
10 Q. So you agree with the finding as contained in
11 this BOEM tourism report that individuals working in
12 tourism and recreation faced better employment rates in
13 coastal Baldwin County, Alabama in 2011 than they did
14 before the oil spill in 2009, while individuals and
15 businesses in the same industry in Baldwin County,
16 Alabama, were paid \$68.9 million by BP, right?

Page 149:18 to 150:04

00149:18 A. Well, both of those are reported here, that
19 there was more employment and BP paid that amount of
20 money.
21 Q. On the same page, Page 13 of the BOEM tourism
22 report, there's also a discussion that continues on to
23 Page 14 about Louisiana. Do you see that?
24 A. Yes.
25 Q. And the U.S. is aware from this report that
00150:01 Louisiana parishes with more than 1,000 tourism employees
02 in the second quarter of 2009 saw either no change or
03 slight increases between the second quarter of 2009 and
04 the second quarter of 2010 quarter of the spill, correct?

Page 150:06 to 150:12

00150:06 A. That's correct.
07 Q. And the report recognizes that there are three
08 parishes that experienced declines in tourism employment
09 after the spill, correct?
10 A. Correct.
11 Q. But three parishes experienced increasing
12 tourism employment after the spill, right?

Page 150:14 to 150:14

00150:14 A. That's correct.

Page 151:14 to 151:18

00151:14 Q. So to ask my question again, there were
15 county -- the U.S. knows there were counties in the Gulf
16 region, doesn't it, with significant tourism-related
17 economies that experienced no negative tourism-related
18 employment impact as a result of the oil spill?

Page 151:20 to 151:20

00151:20 A. That's correct.

Page 151:24 to 152:03

00151:24 Q. And the U.S. knows, based on this report, that,
25 for example, Harris County in Texas and Orleans Parish in
00152:01 Louisiana not only had no declines in tourism employment,
02 but saw initial and subsequent growth in tourism-related
03 employment following the spill --

Page 152:05 to 152:06

00152:05 Q. -- correct?
06 A. Yes.

Page 152:19 to 152:23

00152:19 Q. And so -- and so what you're saying, Dr. Luton,
20 is there are counties in the Gulf region that were not
21 affected by the spill; is that what you're --
22 A. Right.
23 Q. -- testifying to today?

Page 152:25 to 153:08

00152:25 A. I'd say, yes. I guess.
00153:01 Q. And this report further observes, does it not,
02 that Mobile -- Mobile County, Alabama, saw no change in
03 tourism-related employment following the spill?
04 A. That's correct.
05 Q. And that's consistent with the point that you
06 just made, that there were some counties that did not see
07 effects on tourism-related employment, right?
08 A. Correct.

Page 155:13 to 156:05

00155:13 Q. The Bates number for the page that I'm referring
14 to ends in 153.
15 A. Okay.

16 Q. Okay. And there is a bullet point under the
17 heading recovery. Do you see that?

18 A. Yes.

19 Q. And this contains a finding in the report that
20 tourism was strong in 2011, right?

21 A. On -- yes.

22 Q. And the Gulf Coast -- the report notes that the
23 Gulf Coast Alliance, a regional business group set up
24 after the spill to attract tourist and investors to the
25 Gulf Coast, reported that summer tourism in 2011 was good
00156:01 and the economy better than people had anticipated,
02 right?

03 A. That's correct.

04 Q. And that's consistent with reports about tourism
05 across the Gulf Coast for 2011, isn't it?

Page 156:07 to 156:10

00156:07 A. Tourism in 2011 across the coast was -- was
08 good, yes.

09 Q. And it recovered to pre-spill levels, didn't it?
10 In some cases, broke records?

Page 156:12 to 156:19

00156:12 A. It was -- tourism by 2011 was doing well. And
13 somewhere in here, I think the page before, it -- it was
14 talking about how the base year before -- before the
15 spill was a low year and by 2011 tourism in the Gulf was
16 doing well. Right.

17 Q. But you're aware of numerous places along the
18 Gulf Coast that set records in 2011 and 2012 over their
19 best years in 2007?

Page 156:21 to 156:21

00156:21 Q. Right?

Page 156:23 to 157:02

00156:23 A. That's true.

24 Q. So even if the baseline 2009 year right before
25 the spill was low because of the recession, you're aware
00157:01 that what happened in 2011 was tourism recovered beyond
02 the record set in 2007?

Page 157:04 to 157:07

00157:04 A. The industry across the Gulf was doing very
05 well in 2011 and, in some places, it was their best
06 year.

07 Q. And that continued in 2012, didn't it?

Page 157:09 to 157:09

00157:09 A. Yes.

Page 158:17 to 159:03

00158:17 Q. I'd like you to turn the page of the BOEM
18 tourism report to page ending in Bates Number 154.
19 And do you see under the heading recovery
20 that the bullet there concludes that tourism gained
21 momentum by winter of 2010, 2011 and credit is given to
22 BP money?
23 A. Yes, I see that.
24 Q. And in that paragraph it observe -- the report
25 observes that the increase in tourism revenues was
00159:01 attributed to a market campaign funded with BP dollars,
02 right?
03 A. That's what this paragraph says, yes.

Page 159:19 to 159:21

00159:19 Q. And this BOEM report found that the increase in
20 these tourism revenues was attributed to a marketing
21 campaign funded with BP dollars, right?

Page 159:23 to 160:01

00159:23 A. That's what this paragraph says.
24 Q. And is this paragraph consistent with data you
25 know to be available and included in this report, not
00160:01 only in Alabama but across the Gulf Coast?

Page 160:03 to 161:05

00160:03 A. I would say about it that there's -- that
04 the -- this document shows very well that the tourist
05 industry was doing extremely well by 2011. And it
06 asserts that based on the methodology it used, that a
07 lot of -- or the credit was -- should be going to BP's
08 expenditures.
09 It is our view that -- well, first of all,
10 I'd say that this report wasn't in any way designed to
11 make a conclusion about what the basis of the recovery
12 was. And it's based on, as it says in the beginning,
13 very little -- or a limited amount of field work that
14 was aimed at -- it happens at a very narrow group of
15 people involved with tourism.
16 We would say that it's -- it's clear to us
17 that BP's efforts were positive and had a positive
18 effect. I mean, it's clear from this report and from
19 the other. But there were other things driving the
20 effect, the -- the improvement, too, one of which was
21 just the improvement of the environment for tourism

22 generally. And another was just the -- the lack of bad
 23 press that was one of the real drivers of the original
 24 effects on tourism.

25 So -- so I -- I guess what I -- what I'd
 00161:01 say speaking as our interpretation of these two studies,
 02 that it was an important act that BP did to -- to -- for
 03 tourism, spending this money. But it isn't -- it would
 04 be difficult to assert that that was the -- what part of
 05 the whole recovery that that is responsible for.

Page 161:09 to 161:16

00161:09 Q. Based on what you've said, you agree that BP's
 10 efforts to assist in the recovery of tourism along the
 11 Gulf Coast were positive and had a positive effect in
 12 that region?

13 A. That's correct.

14 Q. And BP's efforts to mitigate the economic harm
 15 of the spill in the Gulf region were important and
 16 effective?

Page 161:18 to 161:24

00161:18 A. We're talking about the -- this tourism study
 19 now? Yes. It's just what I said.

20 Q. And BP's efforts to promote tourism in the Gulf
 21 Coast region contributed to the rebounding of the tourism
 22 industry and recovery of tourism in the Gulf Coast after
 23 the spill, correct?

24 A. That's --

Page 162:01 to 162:03

00162:01 A. That's how we interpret this, yes.

02 Q. And that's your understanding?

03 A. Yes.

Page 162:13 to 162:15

00162:13 Q. (By Mr. Tressler) Dr. Luton, we were on the page
 14 of the BOEM report with a Bates number ending in 154?

15 A. Okay.

Page 162:19 to 163:02

00162:19 Q. Okay. You agree that the report observed that
 20 Orange Beach topped its 2007 record for spring tourism
 21 with visitors spending 65 million on lodging from March
 22 to May of 2011, which was a 14 percent increase from the
 23 2007 record, right?

24 A. Yes. That's what this study found.

25 Q. And as we discussed earlier, this is based on
 00163:01 what was for most of the Gulf Coast a high point in

02 tourism, which was the year 2007, right?

Page 163:04 to 164:12

00163:04 A. That -- that's correct.
 05 Q. And the next sentence, you agree that the report
 06 also found that on Alabama's coast, tourists spent
 07 55 million on lodging in June of 2011, more than eight
 08 percent higher than the record set in 2007 before the
 09 spill and recession, right?
 10 A. That's correct.
 11 Q. And on the page of the BOEM report with the
 12 Bates number ending in 157, under the third bullet, the
 13 report finds that tourism bounced back by fall of 2010
 14 with record-breaking seasons, right?
 15 A. That's correct.
 16 Q. And the researchers that wrote this report found
 17 that numerous articles reported the return of the tourism
 18 industry after the spill and some attributed the industry
 19 success to BP funding, correct?
 20 A. That's correct. That was the -- that's
 21 correct.
 22 Q. And the report cites the grants that BP provided
 23 for three years to promote tourism to the Gulf Coast
 24 states, right?
 25 A. Correct.
 00164:01 Q. And further down that paragraph, this report
 02 notes that Florida tourism industry experienced modest
 03 growth in 2011 and experts attributed some of that --
 04 some of the growth to reparations made by BP and to the
 05 fact that tropical storms and hurricanes stayed away; is
 06 that right?
 07 A. That's correct.
 08 Q. Dr. Luton, on the page of the report with the
 09 Bates number ending in 159, under the heading recovery,
 10 do you agree that this BOEM report finds that for New
 11 Orleans, the local hospitality industry was largely
 12 unscathed by the spill?

Page 164:14 to 165:05

00164:14 Q. And the City of New Orleans and neighboring
 15 parish experienced an economic boom in the wake of the
 16 spill?
 17 MS. FIDLER: Objection, form.
 18 A. That's correct. And we, you know -- as I said
 19 before this study, one -- a -- a real goal of it was to
 20 see how our estimating procedures work. And as far as
 21 some operation like New Orleans goes, that's what we
 22 assumed, that a lot of the hospitality industry is -- is
 23 not really exposed to events on the coast.
 24 Q. Including the DEEPWATER HORIZON oil spill?
 25 A. Correct.
 00165:01 Q. And so you agree that the observation included
 02 in this report that the local hospitality industry was

03 largely unscathed by the spill is also BOEM's
04 understanding of what happened in New Orleans after the
05 spill?

Page 165:07 to 165:15

00165:07 A. Yes.
08 Q. Okay. And this report also notes, doesn't it,
09 that hotel occupancy and sales tax revenues increased in
10 the New Orleans area and local tourism officials
11 attributed BP for providing promotional dollars used to
12 help increase tourism revenues; is that right?
13 A. That's -- both of those statements are correct.
14 That's what many of the local tourism people attributed
15 it to and -- right. Those are two correct statements.

Page 166:02 to 166:05

00166:02 Q. I just want to make sure I understand what
03 you're saying. Is it your statement that you agree that
04 local tourism officials attribute increased tourism
05 revenues with promotional dollars provided by BP?

Page 166:07 to 166:11

00166:07 A. Yes.
08 Q. And from your understanding of the research
09 conducted for this report, do you understand that to be
10 true not only for New Orleans, but for tourism recovery
11 across the Gulf Coast?

Page 166:13 to 167:22

00166:13 A. It -- I would -- I would say that it had a --
14 from my understanding of reading this report and the
15 other one, it had a positive effect across the --
16 generally positive effect across the Gulf. And in some
17 places, the -- the effects were quite notable. I mean,
18 it was -- yeah.
19 Q. And when you say "it," you mean BP?
20 A. BP's grants.
21 Q. For tourism promotion?
22 A. For tourism promotion.
23 Q. And when you say that in some places the effect
24 of BP's tourism promotional grants were quite notable,
25 what do you mean? What are you referring to?
00167:01 A. Well, you mentioned -- or this report mentioned
02 the promotion of fishing rodeo, or whatever it was
03 called, that had a huge turnout for it. And that would
04 be one where BP monies were used to promote it. And
05 that seemed to have an effect, as an example.
06 Q. Do you know of other examples in which BP's
07 tourism promotion grants had a notable effect?

08 A. Well, I would think that -- I'm -- I'm not
09 sure. I would say that a place like New Orleans is
10 probably particularly benefited because the general
11 advertising of tourism in -- in Louisiana helped the
12 tourism industry and New Orleans hadn't been
13 particularly damaged to begin with.

14 Q. Please turn to the page in the report with the
15 Bates number ending 183.

16 Is this a section of the report in which
17 the authors provide their findings from interviews and
18 field work?

19 A. That's correct.

20 Q. And on the page with the Bates number ending in
21 183, does this BOEM report include the finding that BP
22 funding helped facilitate recovery?

Page 167:24 to 169:11

00167:24 A. It -- it said -- it says what I tried to say
25 earlier, which is that much of the field were focused on
00168:01 tourism officials and they particularly were -- saw
02 the -- the BP funding as a -- something that facilitated
03 local recovery of the tourism and recreation industry.

04 Q. And this part of the report notes, consistent
05 with what you've just said, that interviewees,
06 particularly tourism officials, said that recovery for
07 the local tourism and recreation economies were underway
08 in large part due to BP funding?

09 A. Yes. That's...

10 Q. And the report notes that it allowed -- that BP
11 funding allowed tourism officials to increase public
12 relations in messaging, helping to convey actual oil
13 impacts and beach conditions and promoting local
14 attractions and businesses, right?

15 A. That's correct. That's their jobs and you-all
16 underwrote it.

17 Q. Uh-huh. And this report also notes that
18 businesses used BP funding to help recover some of their
19 spill-related financial losses, right?

20 A. That's true. It notes that in that particular
21 area some businessmen felt more -- there was a mixed
22 sense of how much it had helped. You know, some were
23 very happy and some not so much.

24 Q. Please turn to the page of the report with the
25 Bates number ending in 186.

00169:01 Under the heading recovery, do you agree
02 that this report also observes that interviewees conveyed
03 that BP funds generated tourist interest in markets where
04 there had not been previous interest and this opened the
05 door to new opportunities for local tourism industries?

06 A. Yes. That was one of the findings of this
07 report.

08 Q. And so this BOEM report includes a finding that
09 the tourism promotional grants provided by BP allowed the
10 tourism industry to open up new markets and new tourism

11 opportunities for growth, right?

Page 169:13 to 169:22

00169:13 A. Provided support for that, yes.
14 Q. And the Tourism Development Council in northwest
15 Florida reported that the BP funds that were spent on
16 tourism advertising showed up directly in the region's
17 revenues, right?
18 A. That was their impression, yes.
19 Q. In other words, the funds that BP provided to
20 promote tourism in the region resulted in higher tourist
21 spending or recovery in the tourism industry directly,
22 right?

Page 169:24 to 170:10

00169:24 A. That's what -- that's what the -- these people
25 report. And -- and there's no reason to not believe it.
00170:01 Q. You don't have any information or data that's
02 inconsistent with these reports, do you?
03 A. No. I -- I told you that our -- what our
04 interpretation is, which is that the field work that was
05 conducted here was not designed to, nor capable of sort
06 of determining the -- the relative importance of causes
07 of recovery. And there were multiple ones.
08 But it certainly was capable of
09 identifying the fact that BP's expenditures and -- on
10 tourism help in the recovery.