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Mr. Kenneth Feinberg
Gulf Coast Claims Facility
1455 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Mr. Feinberg,

I am writing in response to the Payment Options, Eligibility and Substantiation Criteria, and Final Payment Methodology released on February 2, 2011. I appreciate the opportunity to comment on a claims process that has thus far been inconsistent and lacked transparency.

As of February 9, more than 57 percent of Alabama individuals and businesses who have claims pending have received no compensation, in either interim or final form. While I understand that in this environment some fraud will exist, the overwhelming majority of claims are based on real, documented losses. Yet, the processing of claims since the beginning of the year has basically come to a stop. Only a handful of claims per day are being processed while 57,682 remain outstanding in Alabama alone. We must ensure individuals and businesses are compensated now and we must put in place mechanisms to assist them with rebuilding as the Gulf continues to recover from this disaster over the next several years.

The claims methodology is missing several critical elements. First, the calculation method for 2010 actual losses is not provided. There is no formula or specific detail on how a financial loss will be calculated. Filers deserve clarification as to why their claims were denied or why their payments were less than expected. This is particularly true for the travel and tourism sector, where it has been documented that the Alabama Gulf Coast Region saw at least one million fewer tourism related visitors in 2010 compared to 2009.

Second, each Gulf Coast business is unique and there cannot be a one size fits all methodology for determining post-spill losses for the variety of industries affected. Each business responded differently to the spill in terms of business decisions and each may have a different lost opportunity cost that should be taken into account. For example, in addition to expected profit loss, many fishermen have substantial, custom-built vessels for the directed fisheries of the northern Gulf Coast. Yet the payment formula does not take into account the money invested into these boats. In addition, the cost of federally mandated permits for charter-for-hire fishermen is not considered. Should a fishery collapse, the permits are useless.

Third, we all know that the effects of the oil spill will be felt for at least the next two years. Although there are many experts who believe the Gulf will recover quickly, there are

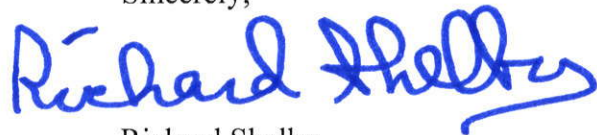
many more who believe the economic impact will be much longer lasting. Given the possibility of a fishery collapse and the time it will take for our ecosystem to recover, we cannot set up a system where victims are compensated now but left without options in three years.

Fourth, I appreciate your recognition of the unique issues that face oystermen in your payment formula. However, I am concerned that businesses downstream from seafood harvesters will not be adequately compensated. Any final resolution for the harvesting sector must also account for damage and compensation to the processing sector – not only for oysters, but for all Gulf seafood. Many processor losses have been and will continue to be multiplied by the lack of fishing effort. This is especially true in Alabama's Gulf Coast Region, where a significant portion of the harvesting fleet obtained large Gulf Coast Claims Facility emergency compensation payments. Those payments caused many harvesters to tie their boats up, which acted as a multiplier of the processor loss because of the unavailability of seafood.

Finally, even assuming the full recovery of the Gulf by 2012, as it appears your methodology does, the public perception problem for both the Gulf's beaches and its seafood and aquaculture is not accounted for in the formula. The period of ongoing negative public perception and associated loss of market share may extend well beyond the recovery of the region. The Gulf Coast Claims Facility must account for these concerns and other future risk factors that are pertinent to these claims, including market deterioration, brand damage, and alternative product penetration.

I would appreciate a timely response from you regarding the concerns I have outlined in this letter, as this remains a critical time for the Gulf Coast. I appreciate your hard work in seeking to properly compensate all of the victims of the Gulf oil spill and I look forward continuing to work with you on these and other Gulf Coast recovery matters.

Sincerely,

A handwritten signature in blue ink that reads "Richard Shelby". The signature is written in a cursive style with a long, sweeping underline.

Richard Shelby