

## **BOEM ENVIRONMENTAL STUDIES PROGRAM: ONGOING STUDIES**

**BOEM OCS Region:** [Gulf of Mexico](#)

**Title:** Examination of the Relationship between Tourism and Offshore Oil and Gas Activities in the Gulf of Mexico (GM-11-06)

**Planning Areas:** Gulfwide

**Total Cost:** \$296,294

**Period of Performance:** FY 2011-2015

**Conducting Organization:** Eastern Research Group, Inc.

**BOEM Contact:** [Mark Jensen](#)

Background: The potential effects of the OCS leasing program on recreation and tourism are major public concerns and are issues of particular importance to BOEM socioeconomic impact analysis. Since these industries are service-oriented and labor intensive, they generate many employment opportunities and financial opportunities for small business owners. Tourism has the added benefit of injecting money into local economies through visitor spending on locally produced services. Since the recreation/tourism industry and the offshore petroleum industry operate in the same coastal and near-coastal environments, their uses of these areas can conflict. Routine OCS actions raise concerns regarding issues such as industrial traffic, industrial releases, noise, marine debris, and aesthetics. The Deepwater Horizon (DWH) disaster has heightened concerns regarding the impacts of oil spills on tourism activity and has shown that a large spill can impact recreation and tourism through mechanisms other than those related to its impacts to the physical environment.

Objectives: The overall goal of this study is to support assessments of the potential effects of the OCS leasing program on recreation and tourism in the Gulf of Mexico region. The objectives of this study are:

- to update and extend the tools BOEM uses to estimate the scale of the tourism and recreation economies in the coastal zone of Gulf of Mexico and the potential impacts of OCS activities on them;
- to update and extend descriptions of the current Gulf Coast tourism and recreation industries in light of ongoing economic change, as well as in light of the DWH; and
- to examine aspects of the direct and indirect impacts of the DWH on tourism and recreation in order to better understand the potential impacts of possible future oil spills.

Methods: This study will examine the economic structure of the tourism and recreation economies of the Gulf of Mexico in light of the DWH oil spill and will attempt to better understand regional linkages between tourism and OCS activities. The study will have 3 parts.

Part 1 will attempt to quantify the economic scale of the tourism economy in each Gulf Coast County. This is a complicated task since many of the industries involved have both tourism and non-tourism related components. Part 1 of this study will use a statistical methodology that weights the levels of employment and wages in a particular industry by the extent to which that industry is tourism related. Part 1 will improve upon a previous BOEM study that addressed this issue.

Part 2 will synthesize available information regarding the nature of the recreation, tourism, and recreational fishing industries at the local/county level in coastal areas of the Gulf of Mexico. Part 2 will also entail a focused fieldwork effort to collect information on local/county level impacts of the DWH to these industries, on their longer term responses, and on their current trends and conditions. Part 2 will conclude with a final report that integrates the varied data sources from Parts 1 and 2 into an overall presentation of the nature of the tourism and recreational economies in the coastal areas of the Gulf of Mexico.

Part 3 will address one of the more fundamental issues raised by the DWH oil spill. Namely, there were a number of reports of the DWH spill affecting tourism activity along the Gulf Coast. However, one of the most notable features of these reports was that the effects of the DWH appear to have been determined by factors other than those related to physical damage to recreational resources in an affected region. The intent of Part 3 is to use a mathematical modeling approach, such as an econometric framework, to better understand the differential impacts of the DWH on tourism in different counties. However, there are a number of uncertainties regarding the feasibility and advisability of the statistical analysis BOEM currently envisions. Therefore, Part 3 of this study will only entail a preliminary examination of the feasibility of the proposed statistical analysis project. However, should the preliminary examination prove fruitful, BOEM may pursue the conduct of the comprehensive statistical analysis project at a later date.

Products: Part 1 of the study will result in a database and a final written report. Part 2 of the study will result in a literature archive and a final written report. Part 3 of this study will yield a memorandum that analyzes the feasibility of conducting a statistical analysis of the impacts to tourism from the Deepwater Horizon oil spill.

Importance to BOEM: There is a need for a fuller understanding of the structure of the tourism and recreation economies in the coastal areas along the Gulf of Mexico. There is also a need for a more complete picture of the effects of the DWH event on these economies. Both of these types of information will be relevant to future BOEM NEPA analyses.

**Current Status:** All deliverables from this study have been submitted and approved except for the final PDF and hard copy versions of the two reports.

**Final Report Due:** The final reports have been submitted and approved. The contractor will submit the final PDF and hard copy versions of the two reports by January 2015.

**Revised date:** December 2014

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