

spill, some were local displaced workers. For example, fishermen who faced closed state and federal fisheries during the spill could participate in the Vests of Opportunity program. Through this program BP paid \$1,200 - \$3,000 per day per vessel for skimming, booming, and related response operations (National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, 2011). Between April and July 2010, the U.S. Coast Guard expended nearly \$60 million on spill response, with more than \$100 million each for personnel

4.12 External Validity: BP Clean-up Expenditures and Economic Damage Compensation

The clean-up activities and compensation for economic damages provided by BP could counter at least some of the impacts of lost income on economic activity. BP's expenditures in the Gulf States for damage compensation and clean-up were quite significant. By June 1, 2010, BP reported spending nearly a billion dollars for clean-up, and the clean-up tab increased to more than \$3 billion by July 5. On September 17, BP reported clean-up spending of nearly \$10 billion.

of regional fiscal stimulus. Drawing from Foray and Swearingin (2011), I estimate the relationship between compensation claims and the change in

¹⁷The Coast Guard sought and awarded compensation for these clean-up and spill response expenditures from BP, the responsible party as specified under the Oil Pollution Act.