

EXPERT REPLY REPORT OF DR. LOREN C. SCOTT

by

Loren C. Scott & Associates, Inc.


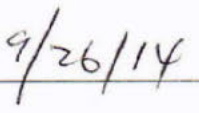


**In re: Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico
MDL 2179**

U.S. District Court for the Eastern District of Louisiana

September 26, 2014

Confidential pursuant to PTO #13

 
Loren C. Scott Date

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Exhibit No. _____
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In this case, I have submitted my own expert report on August 15, 2014 and a rebuttal report on September 12, 2014. In both of these I provided a description of my experience and professional history, a copy of my curriculum vitae and list of publications and testimony, and my compensation. There have not been any changes to these since I submitted these reports.

This reply report is written in response to the "Expert Response Report" submitted by Charles F. Mason, Ph.D. (hereafter Mason) submitted on September 12, 2014.¹ There are several errors of fact, methodology, and conclusion in Mason's report that I address below. None of Mason's responses affect the opinions and conclusions I have included in my prior reports in this case, and as I show below, his responses do not effectively challenge the analyses that were the basis for my opinions.

I. Mason's Equating Claims With Harm Caused by the Spill Is an Unreliable Assumption

On page 5 of his report, Mason continues to make the incorrect assertion that the claims paid by BPXP are a measure of the damages caused by the spill. He asserts:

"Because these claims payments are in compensation for losses suffered by individuals in the four states, the sheer magnitude of the payments, both in absolute terms and in relation to the states' growth in personal income, underscores the magnitude of the damages related to the oil spill."²

The error of equating claims payments with damages was addressed extensively in pages 5-31 in my rebuttal report of September 12, 2014, where I explained why claims data are an unreliable indicator of actual losses.³

¹ Charles F. Mason, Ph.D., "In Re: Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico, on April 20, 2010 MDL 2179", Expert Response Report, September 12, 2014 (hereafter, "Mason Rebuttal").

² Id., p. 5.

³ Loren C. Scott, "Rebuttal Report to the Expert Reports of: Charles F. Mason, Diane E. Austin, and Donald F. Boesch", September 12, 2014.

II. **Mason's Suggestion that All Mitigation Spending Should Be Included in a Measure of Spill Damages Would Discourage Companies From Mitigating and Compensating For Harm After Future Spills**

On pages 5 and 6 of his report, Mason argues that BPXP's mitigation spending should be treated as a component in approximating damages resulting from the spill:

"Dr. Scott notes that BPXP has spent a total of \$25.7 billion after the oil spill in claims payments, tourism promotion, and response.³ By this measure, damages from the oil spill exceed \$25 billion."⁴

As I understand it, the point of this litigation is to determine how much, if anything, BPXP should be fined as a result of the spill. If the court adopted Mason's reasoning, then by making efforts to mitigate and minimize the impact of the spill prior to the assessment of a penalty, a firm like BPXP would be assumed to generate greater "damage" and thus risk facing a larger penalty, in addition to money spent mitigating and minimizing harm and compensating claimants. In other words, under Mason's logic, attempts to compensate individuals and businesses and mitigate harm would be incorrectly equated with greater harm and larger penalties. From an economic perspective, this logic, if adopted, would provide a powerful economic incentive to companies that may be faced with a similar incident in the future *not to compensate* affected individuals, businesses, or entities, and *not to mitigate* the potential harm from such an incident.

As I discussed in my initial report, BPXP took an aggressive approach to mitigating harm from the spill that reflected efforts to reduce the overall harm, reduce the amount of uncompensated damages, and avoid future harm. BPXP spent more than \$14 billion responding to and cleaning up the spill; granted more than \$230 million to the Gulf States to promote tourism (\$87 million of which was granted within three months of the start of the spill); committed \$82 million for testing and promoting Gulf seafood; gave \$100 million to establish a

⁴ Mason Rebuttal at 6.

rig worker support fund, which also funded community organizations in education, health care, and conservation; and finally, compensated individuals and businesses in the Gulf Coast far beyond what I understand to be any legally required minimums, and it did so early and liberally. It paid almost \$400 million in just four months between the start of the spill and August 23, 2010 when BPXP funded the Gulf Coast Claims Facility (GCCF). The GCCF paid a total of \$6.67 billion before the BP parties voluntarily settled private economic claims in the Economic & Property Damages (E&PD) Settlement.

These efforts represent a tremendous amount of spending that I understand was not all required of BPXP. If that's the case, setting a penalty that uses such spending as a measure of harm and does not credit the responsible company for the spending will provide a clear incentive, during a future spill or similar incident, for companies and their shareholders to *withhold* such spending until a penalty determination is made, which may be years after the spill.

It is clear that, in this case, BPXP's \$25.7 billion in spending to mitigate and minimize the effects of the spill had a positive effect in curbing, avoiding, or minimizing the economic harm from the spill. As I concluded in my prior reports, without such early and voluntary spending, the Gulf Coast economy--and the individuals and businesses that comprise that economy--would be worse off.

III. Mason's Claims About the Impact of the Spill on Gulf Coast Fisheries Are Inconsistent with Available Data.

In his September 12, 2014 rebuttal report, Mason makes a variety of claims about the spill's continuing impact on Gulf Coast fisheries and industry prices, costs and profitability. Many of these claims are inconsistent with available data. Mason supports other claims through selective reporting of available data and failing to report results that are inconsistent with the

positions he advocates. Based on a more complete review of available data, Mason's claims about the impact of the spill on the Gulf fishing industry do not withstand scrutiny.⁵

A. Recovery of Gulf Seafood Landings in 20 11-12

Mason's discussion of the Gulf of Mexico fishing industry on pp. 6-11 is part of his attempt to rebut my conclusion that Gulf commercial fisheries have largely recovered and that the Seafood Compensation Program has generally entitled industry participants to compensation well in excess of losses incurred. My original report showed that not only has commercial fishing catch returned rather quickly to near or above pre-spill levels⁶ but that the Seafood Compensation Program is 5.3 times the commercial seafood industry's average annual revenue in 2007-2009 and roughly 20.5 times the documented decline in commercial fishing revenue in 2010.⁷

Mason argues on p. 7 of his rebuttal report that my analysis fails to adequately consider losses suffered by industry participants after 2010 and attempts to show that landings for oysters, shrimp and crab have not returned to levels expected based on pre-spill landings.⁸ Mason also cites a 2012 forecast to state that "[t]he implication is that the adverse effects on some species in the Gulf of Mexico are likely to continue for some time."⁹ In my rebuttal report, I addressed the use of this 2012 forecast and two other articles, all of which were relied upon by Dr. Donald Boesch in his August 15, 2014 expert report.¹⁰ This 2012 study is based on outdated data, is a *projection*, not a conclusion based on objective data, and has been shown by updated data to be

⁵ In this and my September 12 Report, I address both Mason's and Dr. Diane Austin's methodologies for drawing conclusions about not only the commercial fishing industry and tourism but also other industries that affect the Gulf Coast economy. My criticisms of their flawed methodologies apply as well to their conclusions about industries other than seafood and tourism.

⁶ Scott at 39.

⁷ Id. at 20.

⁸ See Mason analysis of "unrecouped" losses in 2011-12 at p. 10 and Figure 1.

⁹ Mason Rebuttal at 7, footnote 7.

¹⁰ Scott Rebuttal Report at 64.

wrong. Mason refers to this outdated study as a “published scientific conclusion,” but as I stated in my rebuttal report, there is no reason to cite such projections using data that only runs through 2011 when Dr. Boesch, Dr. Mason, and myself all had access to the most current, updated NOAA data on the performance of Gulf Coast fisheries. It is not reliable to base assumptions and conclusions on old data (that has been revised by NOAA several times since 2012) and on estimates and projections when the actual data now exists and can be evaluated. The authors of the 2012 article made projections because the only data available at the time was from before 2012.¹¹ Now that data is available, such projections are unnecessary. The only reason to continue using such a projection is to avoid confronting the fact that commercial fishing in the Gulf has largely recovered.

Publicly available data contradict Mason’s claims and indicate that, taken as a whole, the Gulf fishing industry has experienced a strong recovery since 2010 and that seafood landings in 2011 and 2012 were generally at or near the level expected in the absence of the spill. Mason’s analysis selectively and inappropriately “cherry picks” results, focusing only on landings in Louisiana and failing to report results for finfish, a major category of commercial fishing species. While Louisiana is the largest of the Gulf states in terms of landings, results for a single state are inherently more variable than landings measured on a Gulf-wide basis. Thus it is necessarily more difficult to conclude from one state’s landings data that any observed gap between actual and projected landings is necessarily due to the spill, rather than the consequence of normal year-to-year variation in landings. As discussed further below, Mason’s practice of selectively reporting results is repeated in his analysis of tourism trends.

¹¹ Mason also cites to the BOEM report’s mention of one person’s perception of the expected performance of commercial fishing in 2010. This BOEM report was the product of the study conducted by Dr. Diane Austin. In my rebuttal report, I explain why the perceptions of individuals and the types of interviews conducted by Austin and her team do not provide reliable scientific evidence for the purpose of determining whether, to what extent, and to what magnitude there was economic harm from the spill.

The analysis in my original report compared seafood landings in Mississippi, Alabama, Louisiana, and the Gulf Coast of Florida in 2011 and 2012 to average annual landings in 2007-09.¹² This analysis showed that by 2012, landings for shrimp and blue crab were near the 2007-09 average, finfish landings were above the 2007-09 average, and oyster landings were roughly 20% below the 2007-09 average. My analysis also showed that the value of seafood landings in 2012 exceeded the 2007-09 average for all species except oysters, which was 5% below the average for 2007-09.¹³

This analysis was conservative in the sense that it did not account for the long-term downward trend in landings throughout the Gulf fisheries in establishing the landing levels expected in the absence of the spill. It also did not attempt to identify whether observed differences between actual and expected landings in 2011-12 were "statistically significant," meaning that they were sufficiently large that the observed gap is unlikely to have been due to normal year-to-year fluctuations in landings observed in the pre-spill period.

In response to Mason's rebuttal report, I have updated my analysis to account for the long-term trends in landings for all Gulf species in estimating the landings expected in 2011-12 in the absence of the spill. I used the same public data reported by NOAA that I used in my original report. I use a simple regression analysis to estimate the approximate annual percentage change in landings in the pre-spill period (1999-2009) and extrapolate this trend to forecast landings expected in the absence of the spill. Each species group other than oysters exhibit marked trends of declines in landings during the 1999-2009 period. I also evaluate whether the observed deviations between actual and expected landings in 2011-12 are statistically significant. The results for landings by species in the Gulf states of Florida, Mississippi, Alabama, and

¹² Scott at 40, Figure 13.

¹³ Id. at 41, Figure 14.

Louisiana are reported graphically in Figure 1, which also summarizes the statistical significance of the regressions.

These results further confirm the conclusions contained in my original report about the absence of systematic continuing impact of the spill on Gulf seafood landings. Examination of the species-specific figures indicates that 2012 landings were above the level expected (had there been no spill) for all species other than oysters, which remained roughly 21% below the expected level.¹⁴ Although not reported by Mason, finfish landings in 2011-12 were far *above* the level expected based on pre-spill trends, and this difference is statistically significant. Further, the difference between expected and actual catch for shrimp, blue crab and even oysters is *not significant* based on conventional standards used in statistical analysis.

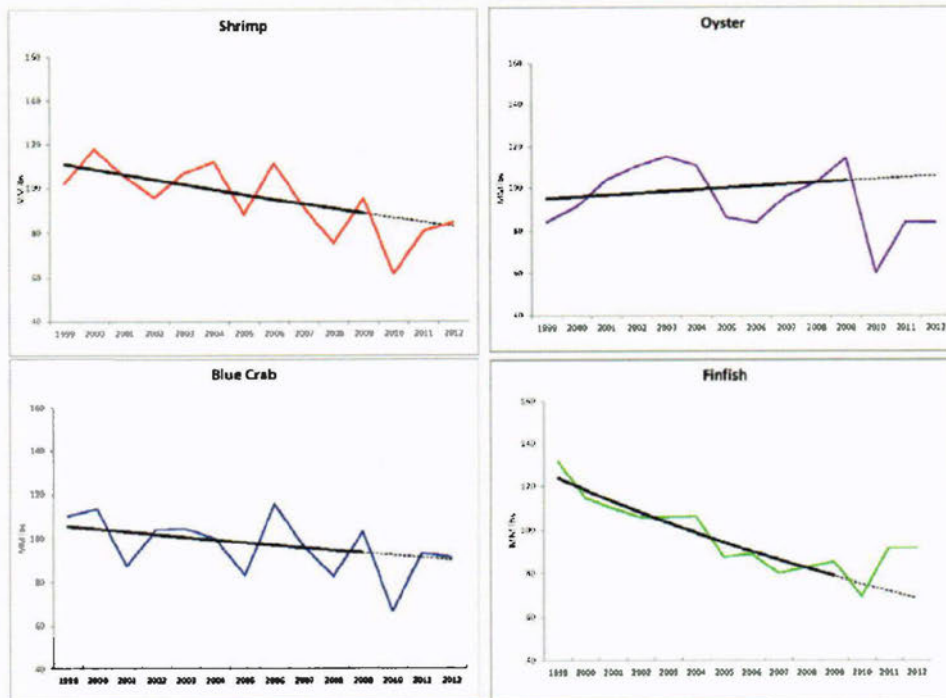
In interpreting the “gap” for oysters in 2011-12, although not statistically significant from the level expected based on pre-spill trends, the E&PD Settlement Agreement’s Seafood Compensation Program implicitly recognized that the recovery cycle for oysters was expected to be longer than for other species (due to the multi-year nature of the oyster production cycle) and afforded participants in the oyster industry higher RTPs--up to 8.75--compared to claimants from other seafood sectors.¹⁵

¹⁴ I understand that there is evidence that factors other than the oil spill negatively impacted oysters in 2010 and 2011. See August 15, 2014 Expert Report of Wes Tunnell at 32 (citing Le Peyre et al.).

¹⁵ E&PD Settlement Agreement, Exhibit 10.

Figure 1

Volume of Seafood Landings in 4-State Gulf Region 1999-2012



Species	Year	Relative to Trend	
		Percent Effect	T Statistic
Shrimp	2010	-29.1%	-2.58 *
	2011	-5.1%	-0.38
	2012	2.0%	0.13
Oyster	2010	-42.4%	-3.67 *
	2011	-20.0%	-1.43
	2012	-20.8%	-1.43
Blue Crab	2010	-27.7%	-2.28 *
	2011	2.1%	0.14
	2012	1.2%	0.08
Finfish	2010	-7.6%	-1.15
	2011	27.6%	3.39 *
	2012	33.3%	3.83 *

*Significant at the 90% level based on log regression.

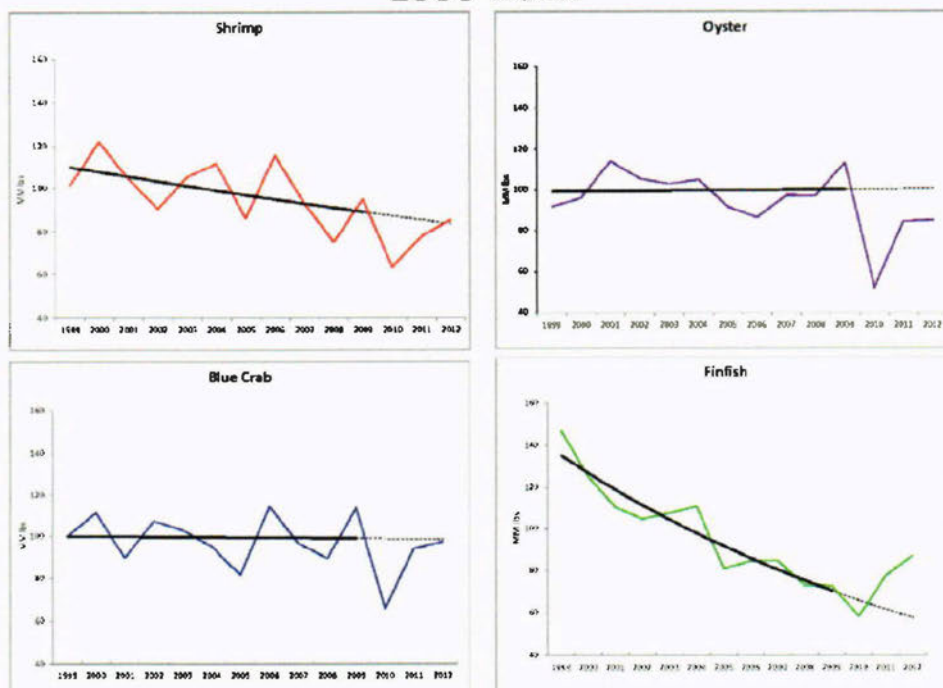
Source: NOAA Commercial Landings data.

Notes: 4-state Gulf region includes AL, LA, MS, FL Gulf. Annual volume of landings normalized to 1999-2009 average. Black line reflects the 1999-2009 trend. Trend is significant at the 90% level for shrimp and finfish based on log regression.

As noted above, in his September 12 report, Mason selectively reports seafood landings for Louisiana only. While this approach inappropriately ignores seafood landings from other Gulf states, in order to respond to Mason's claims, I have also used the same regression analysis outlined above to compare actual landings in Louisiana in 2011-12 to landings expected based on prior long term trends. These results are shown in Figure 2. As with the results in Figure 1, the results for Louisiana alone still indicate that seafood landings for shrimp, blue crab and finfish in Louisiana in 2011-12 were generally near or above the level expected based on 1999-2009 trends. Louisiana oyster landings in 2012 remained roughly 15% below the level expected, but again this difference is not significant based on conventional standards used in statistical analysis. Like the Gulf-wide landings, Louisiana finfish landings in 2012 were far in excess of what would be expected had there been no spill, and again this result is statistically significant.

Figure 2

Volume of Seafood Landings in Louisiana 1999-2012



Species	Year	Relative to Trend	
		Percent Effect	T Statistic
Shrimp	2010	-27.4%	-2.07 *
	2011	-9.2%	-0.60
	2012	2.1%	0.12
Oyster	2010	-48.2%	-5.83 *
	2011	-15.9%	-1.48
	2012	-15.4%	-1.36
Blue Crab	2010	-33.5%	-2.94 *
	2011	-4.9%	-0.35
	2012	-1.5%	-0.10
Finfish	2010	-11.4%	-1.32
	2011	25.2%	2.35 *
	2012	50.2%	4.09 *

*Significant at the 90% level based on log regression.

Source: NOAA Commercial Landings data.

Notes: Annual volume of landings normalized to 1999-2009 average. Black line reflects the 1999-2009 trend. Trend is significant at the 90% level for finfish based on log regression.

B. Seafood Profits Were Not “Squeezed”

In attempting to respond to my analysis indicating that the Seafood Compensation Program entitles industry participants to compensation well in excess of losses incurred, Mason argues on pp. 6-10 that post-spill profits earned by fishermen were “squeezed” due to increased harvesting costs and reduced demand for Gulf seafood. Specifically, Mason argues that “there is good reason to expect that harvesting costs rose after the spill”¹⁶ and that due to a reduction in both supply and demand of Gulf seafood “benefits to sellers fall, as their profits are squeezed.”¹⁷ He further suggests that Gulf fishermen would need to “travel greater distances and spend larger amounts of time searching for their prey; both effects would raise fishermen’s costs.”¹⁸

Publicly available data on the revenue and costs faced by shrimpers contradict Mason’s claim that industry profits were squeezed and show that profits were actually higher in 2011 than in 2009. The National Marine Fisheries Service (NMFS) conducts an annual economic survey of Gulf vessel owners with federal permits to harvest shrimp and publishes an annual report which summarizes (among other things) the average revenues, costs, and net cash flow for active shrimping vessels.

Table 1 summarizes data from the NMFS survey for 2009, 2010, and 2011. It is important to note that for 2010 and 2011, revenues received and costs incurred from participation in DWH response (such as VOO) are excluded from Table 1. Claims payments for lost earnings from BP or the GCCF are also excluded from revenue. Thus, the analysis summarizes the profitability of shrimpers’ fishing operations alone.

¹⁶ Mason Rebuttal at 7.

¹⁷ Mason Rebuttal at 9.

¹⁸ Mason Rebuttal at 7-8, footnote 7.

Table 1
Cash Flow for Average Vessel Among Active Gulf Shrimp Fleet, 2009-2011

	2009	2010	2011
Vessel Revenue	\$230,690	\$234,642	\$306,301
Vessel Variable Expenses (Fuel and Other)	\$119,844	\$120,483	\$155,474
Vessel Variable Profit	\$110,846	\$114,159	\$150,827
Captain & Crew Share	\$50,393	\$58,630	\$71,947
Fixed Expenses	\$54,498	\$56,289	\$62,232
Net Cash Flow	\$5,955	-\$760	\$16,648

Sources: NMFS, Economics of the Federal Gulf Shrimp Fishery Annual Report for 2009, 2010, and 2011.¹⁹

Note: 2010 excludes claim payments and revenue earned and expenses incurred in DWH-cleanup activities.

These data are inconsistent with Mason's claims that industry profits were squeezed by the spill. As Table 1 demonstrates, revenue, variable profit²⁰ and net cash flow²¹ for the average vessel actually increased between 2009 and 2010 and increased even more from 2010 to 2011. For example, average 2011 vessel variable profit (\$150,827) is 36% higher than 2009 vessel variable profit (\$110,846). Further, average net cash flow in 2011 of \$16,648 is nearly three times greater than 2009 levels. While 2010 net cash flow is slightly negative, this is largely

¹⁹ BP-HZN-2179MDL09242146 2009 Economics of the Federal Gulf Shrimp Fishery Annual Report at p. 18; BP-HZN-2179MDL09239024 2010 Economics of the Federal Gulf Shrimp Fishery Annual Report at p. 35; BP-HZN-2179MDL09240536 2011 Economics of the Federal Gulf Shrimp Fishery Annual Report at p. 19.

²⁰ Vessel variable profit is defined here as revenue less fuel and other harvesting expenses. This variable profit would then be distributed to the various stakeholders in the vessel, such as the vessel owner (who is typically responsible for fixed cost such as insurance and depreciation), the boat captain, and the crew members.

²¹ Net cash flow is defined here as vessel variable profit less captain and crew share payments and fixed expenses.

caused by an increase in the share of revenue paid to captain and crew members, which increased further in 2011. Such payments represent distribution of variable profits among industry stakeholders and reflect in substantial part the increase in vessel revenue over this time period.

While variable expenses increased from \$119,844 in 2009 to \$155,474 in 2011, this was largely caused by an increase in the price of fuel and not an increase in fuel usage. The NMFS survey also reports fuel usage and price per gallon for the average vessel in each year, as summarized in Table 2.

Table 2
Average Fuel Usage, Fuel Price, and Shrimp Price for Active Shrimp Fleet

	2009	2010	2011	% Change 2009-2011
Fuel Use (gallons)	48,102	40,317	41,312	-14%
Fuel Price (\$ / gallon)	\$2.05	\$2.46	\$3.17	55%
Shrimp Price (\$ / lb)	\$2.23	\$3.42	\$3.53	58%

Sources: NMFS, Economics of the Federal Gulf Shrimp Fishery Annual Report for 2009, 2010, and 2011.²²

Mason argued that harvesting costs would increase due to the need for fishermen to “travel greater distances” after the spill. If that were true, fuel use would be expected to increase in 2010 and 2011, relative to 2009 levels. As Table 2 demonstrates, however, fuel usage actually fell over this time period, from more than 48,000 gallons in 2009 to less than 42,000 in both 2010 and 2011. While the fuel price per gallon increased 55% from 2009 to 2011, the price of

²² BP-HZN-2179MDL09242146 2009 Economics of the Federal Gulf Shrimp Fishery Annual Report at p. 18; BP-HZN-2179MDL09239024 2010 Economics of the Federal Gulf Shrimp Fishery Annual Report at p. 27; BP-HZN-2179MDL09240536 2011 Economics of the Federal Gulf Shrimp Fishery Annual Report at p. 18

shrimp increased by even more (58%). Taken together, these patterns explain why the NMFS data reports an increase in profits, rather than the profit squeezing suggested by Mason.

Table 1 underscores another problem with Mason's incorrect use of claims paid as a measure of actual damages. On p. 6 of his September 12 report, he takes issue with my conclusion that commercial fishing industry participants who are being compensated by the \$2.3 billion Seafood Compensation Program of the E&PD Settlement have been paid more than the objective measure of their estimated losses.²³ He argues that I did not account for "the impact on the annual flow of claimants' profits" and further argues that payment of multiples of the compensation amount still represents real damages because they were "anticipated."²⁴ The data in Table 1 confirm that "anticipated" does not equal "actual," because future profits were not affected. This is yet another reason his attempt to use claims payments as a measure of damages is flawed. I showed in my original report and in Table 1 here that commercial landings (for species other than oysters) generally returned to levels expected in the absence of the spill by 2012, and for some species by 2011, and analysis of NMFS survey data shows that there has not been a continuing impact on fishermen's "annual flow of profits."

C. Post-Spill Shrimp Prices Contradict Mason's Claims Regarding Reduction in Demand for Gulf Seafood

Mason further argues that my conclusion that the Seafood Compensation Program entitles industry participants to compensation well in excess of losses incurred fails to adequately account for the claimed adverse effects of the spill on "consumers' perceptions of the safety and desirability of Gulf of Mexico seafood.... Absent any other effect, this reduction in demand would lower the quantity of seafood traded, but it would also reduce prices."²⁵

²³ See also Scott, August 15, 2014, at 19-20.

²⁴ Mason Rebuttal at 6.

²⁵ Mason Rebuttal at 8.

Mason presents no data to support his claims. Instead, available data on the price of domestic shrimp relative to the price of imports are inconsistent with his view that the spill has harmed consumers' perceptions of Gulf seafood. It is widely recognized that domestic shrimp prices are influenced by international market conditions. Specifically, only 10% of shrimp in the U.S. (measured in pounds) over the past 10 years has been produced domestically.²⁶ If Mason's claim was true, it would be expected that the price of domestic shrimp would fall relative to the price of imported shrimp after the spill. However, available data on the price of domestic and imported shrimp fail to show any systematic decline in the price of domestic shrimp relative to imports after the spill, as reflected in data from Urner-Barry, a widely cited source of data on seafood prices.²⁷

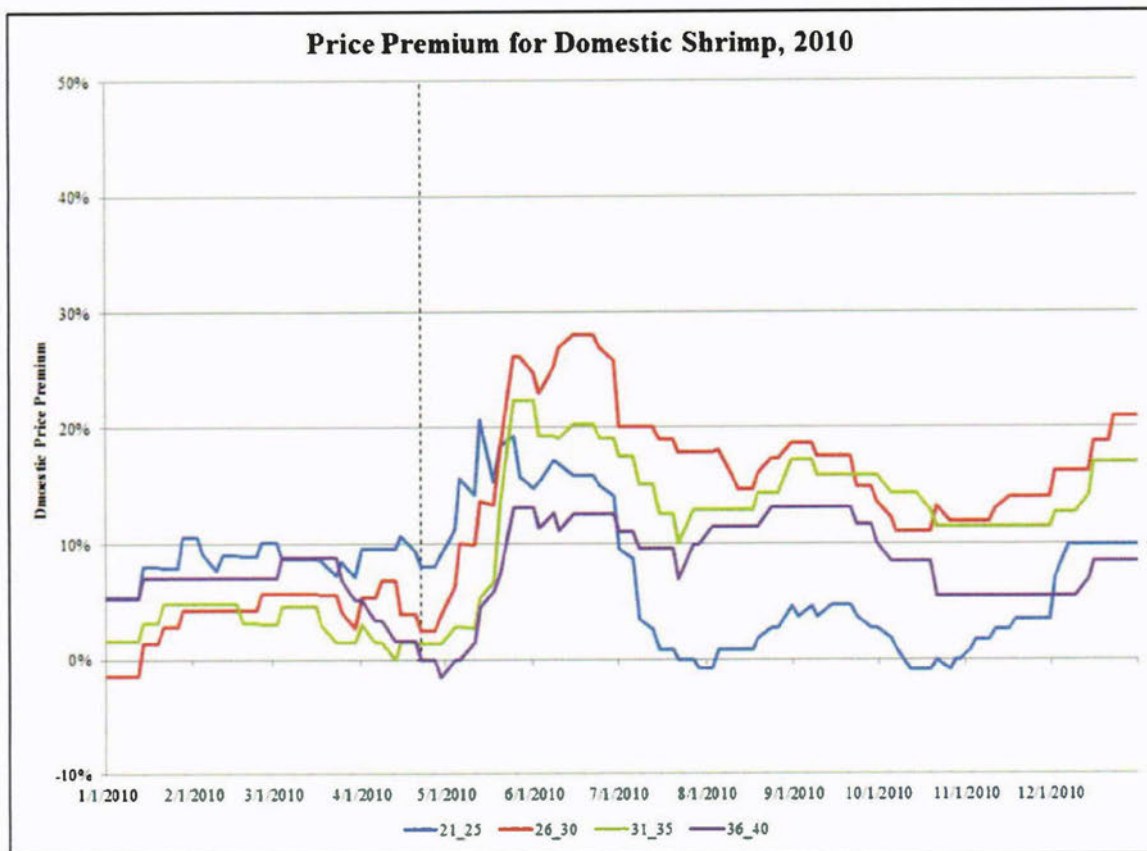
Figure 3 summarizes changes in the ratio of domestic and import prices for four major size classes of shrimp over the course of 2010.²⁸ The data indicate that domestic shrimp sell at a premium to imports. If, as Mason claims, consumer perceptions of domestic shrimp were adversely affected by the spill then it would be expected that the size of this premium would be lower in the post-spill period than in the pre-spill period. Available data, however, reveal no such systematic effect. While the domestic premium varies over time, the domestic shrimp continued to sell at premium prices compared to imported shrimp during the post-spill period (April 21, 2010 through December 31, 2010). The size of the premium earned by domestic shrimp increased in three size classes and decreased in one, indicating that the spill did not have a systematic effect of the price of domestic shrimp relative to imports.

²⁶ NOAA, "Fisheries of the United States 2012," September 2013, p. 89. Supply measured as US commercial landings plus imports. Shrimp from the Gulf coast region makes up the majority of domestic shrimp landings. In 2012 Gulf shrimp accounted for 70 percent of national shrimp landings. (*I.d.*, p. xiii)

²⁷ <http://www.urnerbarry.com/welcometocomtell/>

²⁸ Shrimp size classes reflect the count of shrimp per pound. That is size class 26-30 means that there are 26-30 shrimp per pound. Thus, the shrimp in size class 26-30 are smaller than the shrimp in the 21-25 size class.

Figure 3



IV. Mason's Conclusions about the Spill's Impact on Gulf Tourism are Flawed

In pages 11-21 of his rebuttal report, Mason addresses the issue of the spill on Gulf coast tourism. There are two critical flaws in his analysis. One has to do with Mason's analysis of the impact of the spill on tourism and its alleged lingering effects, and the second relates to his assessment of BPXP's tourism promotional spending.

A. Mason's Analysis of the Spill's Impact on Gulf Tourism is Selective and Incorrect

On pages 13-21 of his rebuttal report, Mason argues that the recovery in Gulf tourism was primarily due to the recovery in the national economy over 2010-13 and that tourism activity

would have been even higher in coastal areas in 2011-13 had it not been for the spill. He also argues that the negative impact of the spill was not short-lived and continues to linger. Mason attempts to support these claims by analyzing Revenue Per Available Room (RevPAR), a standard measure in hotel and lodging, which I also analyzed in my prior report.

However, Mason's conclusions are the result of cherry-picking, and a principled application of his proposed approach leads to the opposite conclusion. In particular, Mason selectively focuses on two states, Mississippi and Florida, for which his analysis suggests that Gulf tourism fell relative to benchmark levels, but he fails to report results for the two other Gulf states, Louisiana and Alabama, where his model suggests the opposite conclusion--that Gulf tourism grew relative to benchmark levels.

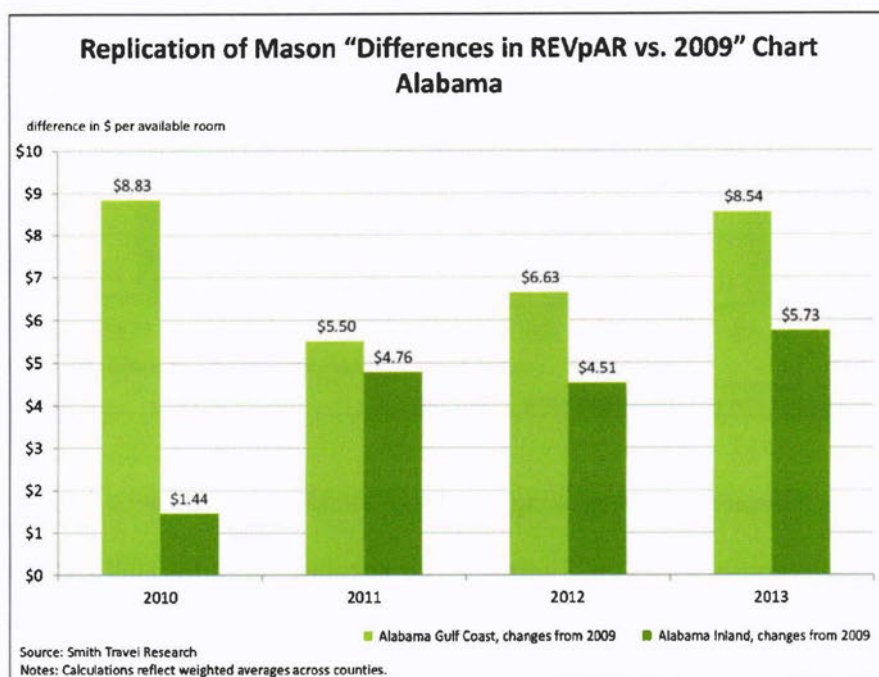
For his calculations, Mason assumes that the growth in RevPAR between 2009 and the 2011 – 2013 period in coastal Gulf counties should have, absent the spill, been equal to the similarly-calculated growth in RevPAR for non-coastal areas.²⁹ To the extent that coastal county RevPAR grew more slowly than non-coastal RevPAR, he argues that this indicates lingering effects from the spill.

Mason applies this methodology to Mississippi and the Florida Panhandle, but he does not present any analysis of Alabama or Louisiana, and as I show below, application of the same methodology to those states indicates that coastal RevPAR was greater than would be expected based on the growth in non-coastal RevPAR – the opposite of the results observed for Mississippi and the Florida Panhandle.

²⁹ Mason proposes using non-coastal counties as the benchmark area for Mississippi, and Atlantic coast counties as the benchmark area for Florida. He does not explain why he did not consider non-coastal counties in Florida, or whether his results are sensitive to choices of this nature.

For both Alabama and Louisiana, I used the inland counties of the same state as a benchmark, consistent with Mason's approach to Mississippi.³⁰ Figures 4 and 5 show the results of my replication of Mason's methodology for Alabama and Louisiana, demonstrating strong recovery and growth in coastal areas compared to inland counties.³¹

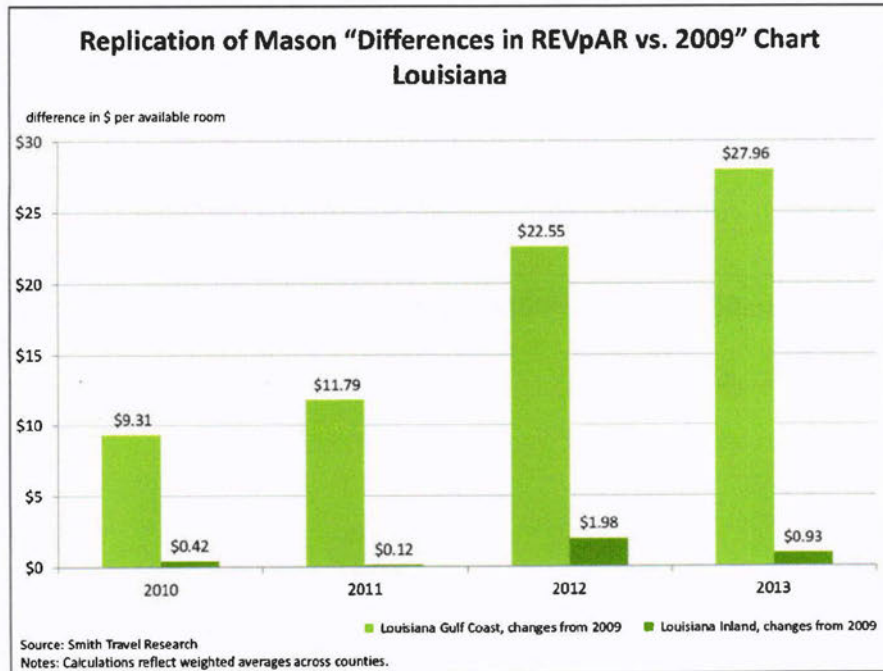
Figure 4



³⁰ Mason separately analyzes occupancy rates, which are incorporated into RevPAR, so I focus on RevPAR here. However, I find the same qualitative results for Louisiana and Alabama, and for the Gulf states as a whole, if I focus on occupancy rates.

³¹ In applying Mason's approach, I used a weighted average across counties, giving greater weight to counties with more tourism, but I also performed similar calculations for Louisiana and Alabama using a simple average and found similar results as those I report here.

Figure 5



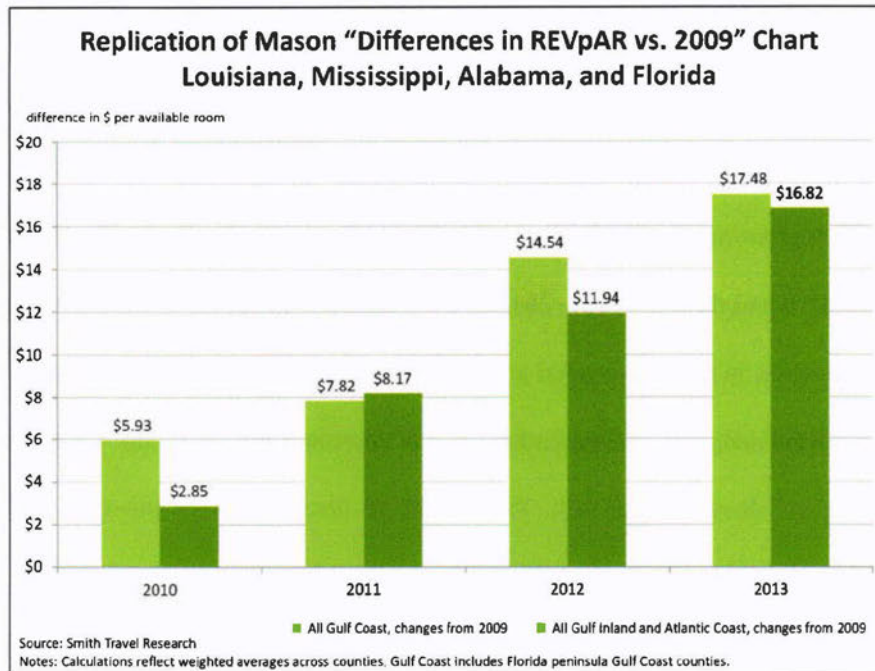
Therefore, Mason’s “cherry-picking” approach could just as easily be used to argue that the spill benefitted tourism in the Gulf instead of his conclusion that the spill continues to harm tourism.

A more principled approach is to apply Mason’s proposed methodology to the entire Gulf region. I applied Mason’s approach to evaluate the change in RevPAR between 2009 and 2011 – 2013 for coastal counties of Louisiana, Mississippi, Alabama, and the Florida Panhandle combined. Consistent with Mason’s approach, I used the inland counties of all four states, plus the Atlantic counties of Florida, as the benchmark area

Figures 6 below reports the results, which show that, overall growth in RevPAR in the coastal counties between 2009 and 2011-2013 approximately equaled or exceeded growth in the non-coastal benchmark areas in all three years. These results are inconsistent with Mason’s

claim that coastal areas did not recover as rapidly as would be expected based on the change in RevPAR in non-coastal areas.

Figure 6



Even focusing exclusively on Mississippi and Florida, as Mason does, the results he reports cannot distinguish whether the claimed differences between the growth in RevPAR in coastal and non-coastal areas are due to the spill, versus being merely the result of chance and consistent with the historical year-to-year variability. Making such a distinction requires a standard analysis of the "statistical significance" of differences between actual and expected values.

One way to address whether changes in RevPAR in 2011-2013 are significantly different from the level expected based on changes in non-coastal RevPAR since 2009 is to conduct a regression analysis. In order to respond to the claims made by Mason in his September 12 report and show that the analysis in my original August 15 report is sound, I have used available data to

undertake a regression analysis similar to the one conducted by Dr. Joseph Aldy in a recent study that both Mason and I discussed and cited in our September 12 rebuttal reports. Dr. Aldy conducted a study that was co-published in August 2014 by the National Bureau of Economic Research and the Harvard Kennedy School of Government in which he analyzed the impact of the spill on employment and wages in the Gulf coastal counties following the spill.³²

I applied a similar model to evaluate changes in RevPAR following the spill. Specifically, the regression model was used to estimate the change in RevPAR during the post-spill months of 2010 and during 2011 – 2013 in the coastal counties of the Gulf states, relative to the change in RevPAR in the non-coastal counties. The model also accounts for county-specific factors affecting RevPAR, seasonality, and general economic trends affecting all areas over time. Similar in spirit to Mason's approach, this approach also compares pre-spill and post-spill RevPAR, using the non-coastal areas of the Gulf states as a benchmark.

In reply to Mason's rebuttal opinion that they did not recover to such levels, this approach allowed me to demonstrate whether or not my original conclusions were accurate and also to determine if the differences Mason claims existed between the inland and coastal counties in the growth of RevPAR since the spill are statistically significantly different from zero--something Mason's approach did not allow.

The results demonstrate clearly that RevPAR was higher than expected in the Louisiana, Alabama, Mississippi, and Florida Panhandle coastal counties in the months of 2010 after the spill. Moreover, in contrast to Mason's suggestion that RevPAR in coastal areas was lower than expected in 2011-113, the results indicate that coastal Gulf counties experienced no statistically-significant reduction in RevPAR over this period. In short, the findings confirm my original

³² Joseph E. Aldy, "The labor Market Impacts of the 2010 Deepwater Horizon Oil Spill and Offshore Oil Drilling Moratorium", Harvard Kennedy School Mossavar-Rahmani Center for Business and Government, RPP-2014-16, 2014.

opinions: In coastal areas, the spill did not have a systematically adverse effect on RevPAR in coastal areas, and the coastal areas where there was a negative impact immediately following the spill, experienced quick recovery.

Table 3 summarizes the detailed results of the regression analysis. The first column in the table shows the estimated change in coastal county RevPAR during May-December 2010 relative to the pre-spill period, January 2009 to April 2010, relative to the change in RevPAR in non-coastal counties.³³ The results show a significant boost in the RevPAR in most areas in May-December 2010, consistent with the influx of spill response and cleanup workers in many areas. The results also show that there was no systematic or statistically significant impact on RevPAR in the Florida Panhandle either negatively or positively during 2010. For the non-Panhandle Florida Gulf counties there was a statistically significant decline in the RevPAR of just over 18%.³⁴

³³ Monthly data were used and dummy variables were used for months and years to account for seasonality in RevPAR and general changes in economic conditions.

³⁴ Given that the Panhandle counties were closest to the spill, oil did not reach the shore past the Panhandle, and fishing waters were not closed off of the non-Panhandle Florida coast, I consider the result regarding non-Panhandle counties to be less useful in understanding the effects of the spill.

Table 3³⁵
Gulf Coast RevPAR
 Compared to January 2009 to April 2010 Period

Area	May-December 2010 Spill Period	Post-Spill 2011-13 Period
Alabama Gulf	+31.2%*	-0.4%
Florida Panhandle	+5.7%	-4.6%
Louisiana Gulf	+21.1%*	+0.8%
Mississippi Gulf	+25.8%*	-10.4%*
Florida Gulf (non-Panhandle)	-19.2%*	-2.1%

* Denotes a statistically significant result.

The last column of numbers in Table 3 shows the implications of the regression model for the estimated change in RevPAR in coastal counties during 2011-2013 relative to the pre-spill period, accounting for changes in RevPAR in non-coastal counties since the pre-spill period. These results confirm that there was no statistically significant change in coastal county RevPAR in any region except the Mississippi Coast, where the model shows a 10.4% decline. The model shows slight but statistically insignificant declines of 0.4% and 0.8% in the Alabama and Louisiana coastal counties, and small declines of 4.7% and 2.1% in the Florida counties, but none of these differences from the pre-spill period are significantly different statistically than normal variations in RevPAR over this period of time. Mississippi's decline is likely attributable

³⁵ Coefficients on 2010 Spill Period Variable Relative to January 2009 to April 2010

Area	2010 Spill Period	Post-Spill 2011-13
Alabama Gulf	0.2716***	-0.0043
Florida Panhandle	0.0553	-0.0468
Louisiana Gulf	0.1915**	0.0080
Mississippi Gulf	0.2293***	-0.1093***
Florida Gulf	-0.2127***	-0.0209

p<0.05, *p<0.01

to a weak national casino market, which is the key tourist activity in coastal Mississippi. Specifically, casino gambling nationally has recovered relatively slowly from the recession. Nationally, total consumer spending at commercial casinos increased 8.9% between 2009 and 2012, compared to a 12.6% increase in total personal consumption expenditures over the same period.³⁶ This indicates that casinos have recovered more slowly than the economy generally. Therefore, it cannot be concluded that the apparently slow growth in Mississippi during 2011 – 2013 is necessarily the result of the spill.

B. The Mitigation Effects of BPXP's Tourism Grants Were Significant

On pages 11 and 12 of his rebuttal report, Mason challenges my use of the Deskins-Seevers study to support the claim that the impacts of BPXP's tourism grants were significant and effective in mitigating the impact of the spill. Specifically, Mason incorrectly takes the position that I overstated the impact of BPXP's tourism promotion grants because of "diminishing returns" to tourism advertising.³⁷

As an initial matter, and regardless of the research findings of Deskins & Seevers, any specific claim that the tourism grants had little effect on Gulf tourism is directly contradicted by the comments made by tourism and governmental officials in Florida, Alabama and Louisiana (documented in my August 15, 2015 report) who attributed most of the turn-around in tourism specifically to BPXP's grants.³⁸

³⁶ 2013 State of the States, The AGA Survey of Casino Entertainment, American Gambling Association; BEA Data.

³⁷ Mason Rebuttal at 11-12.

³⁸ See Scott August 15, 2014 report at 21, 26, 32-33, 38-39. It is likely that additional promotion dollars to mitigate the perceived impacts of a disaster are different from the impacts of just additional dollars added to a regular advertising budget under ordinary circumstances of the type considered by Deskins & Seevers. The tourism grants were not designed to just boost tourism from an existing level---where one might expect significant "diminishing returns". Instead, these funds were intended to correct perceived negative impacts of the spill and one might expect much greater returns per dollar spent under these circumstances.

Mason tries to apply the results of Deskins & Seevers to Florida alone to imply that I overstated the impact of BP's spending for the region taken as a whole. Specifically, he claims that because tourism expenditures are already high in Florida, "diminishing returns" indicates that additional tourism promotional spending funded by BPXP had relatively little impact in the Gulf region. This claim reflects another attempt by Mason to cherry-pick results for a single state, Florida, while ignoring the impact of BP funded tourism promotional efforts throughout the rest of the Gulf. However, by Mason's logic, because Alabama's tourism expenditures are much lower than the national average, my statements regarding the impact of additional tourism spending funded by BPXP would understate its true impact.

A more appropriate approach is to apply the Deskins & Seevers model to all of the Gulf states, not just one. If this model is applied to each of the four Gulf states (Louisiana, Mississippi, Alabama, and Florida), the simple average of the estimated effect of tourism promotion spending is nearly identical to the national average reported by Deskins & Seevers and which I cited in my earlier report.³⁹ It is also important to note that Mason acknowledges that BP's tourism expenditures in 2010 in Mississippi would be expected to have a huge effect on tourist expenditures in the state. Specifically, he states that "the BPXP tourism grant to

³⁹ In their Table 2, Deskins & Seevers estimate that the relationship between travel expenditure growth tourism promotion spending per capita (TPS), and travel expenditures per capital (TE) is $\text{Travel Expenditure Growth} = 0.433 \times \text{TPS} - 0.071 \times \text{TE}$. As noted below and reported in Appendix A of Deskins & Seevers, mean 2003 TE across all states is 2.00. Therefore, the effect of an additional \$1 in TPS on tourism expenditure growth is 0.29 ($= 0.433 \times \$1 - 0.071 \times 2.00$). Deskins & Seevers describe this national average on p. 160 as follows "at the average level of tourism expenditures in time t, results indicate that a \$1 per capital increase in TPS increases tourism expenditure growth by 0.29 percentage points." Deskins & Seevers report TE for each state separately in Table 5 of this paper, so the same model can be applied on a state-by-state basis. TE for Florida is 2.60. Therefore, the estimated effect of a \$1 increase in TPS for Florida is 0.25 ($= 0.433 - 0.071 \times 2.6$). Similar calculations for the other states indicate the estimated effect of a \$1 increase in TPS is 0.34 for Alabama, 0.29 for Louisiana, and 0.30 for Mississippi. The simple average of these effects is 0.29.

Mississippi raised tourism promotion spending by nearly 273%, which would be predicted to more than triple the increase in 2011 tourism expenditures.”⁴⁰

Even if these additional grant dollars were subject to conditions of “diminishing returns,” the sheer amount of the increase in each state’s tourism budget would still lead to a significant effect on tourism. As shown in Table 8 of my August 15, 2014 report, the tourism budgets in each state were increased as follows: Louisiana (79%); Mississippi (273%); Alabama (234%); Florida (139%). It stretches credulity to argue that increases of that order of magnitude would have a trivial impact on the tourism market.

Even focusing on Florida alone, and ignoring the other states, Mason overstates the importance of the “diminishing returns” of tourism promotional spending. Specifically, Mason makes an error in his statement on p. 12 that:

“Florida’s per-capita expenditures are sufficiently above the national average so as to reduce the impact of extra tourism promotion spending by nearly half.”⁴¹

Mason’s workpapers show that this claim is based on a calculation error. Specifically, he incorrectly entered the tourism expenditure per capita data reported in Table 5 of Deskins & Seevers for one state, Nevada, and because of this, his claims regarding Florida are overstated substantially.⁴² The correct calculation indicates that an application of the Deskins & Seevers results to Florida in isolation indicates that the effect of BP’s tourism promotion spending in that state would be not as Mason claims, half as large as the national average, but only 20% below the national average.⁴³

⁴⁰ Mason Rebuttal at 12-13 (note 19).

⁴¹ Mason Rebuttal at 12.

⁴² These workpapers (in the form of an Excel spreadsheet) were produced by the United States in US_PP_MAS011948.

⁴³ Specifically, Mason claims in his footnote 17, (based on his erroneously entered data) that the mean and standard deviation reported in Deskins & Seevers are incorrect, and Mason replaces them with his own calculations of the mean (1.813) and standard deviation (0.771). On this basis, he claims that Florida’s per

V. Mason Understates the Significance of BPXP in Gulf Region

On pages 22 to 33 of his report, Mason addresses “The Significance of BPXP to the Gulf of Mexico Oil and Gas Industry.” I understand that this is not the pertinent analysis here; rather, the relevant question is what role BPXP had and continues to have in the Gulf economy and community taken as a whole. The question is not how important BPXP is to the oil and gas industry in the Gulf, but rather how important it is to the economy in which it operates.

In his rebuttal, Mason repeatedly refers to BPXP’s share of activity in the Gulf oil and gas industry—not to how much economic value the company brings to the economies of the region through its capital and operational expenditures. As I indicate in my September 12, 2014 rebuttal report, the value of Walmart, Bank of America, and J. P. Morgan Chase to an economy are not determined by their market shares (which are similar to or lower than BPXP’s) but rather on things such as how much money and how many jobs a company brings to a region. As I also indicate in my rebuttal report, when state and local governments are trying to determine how valuable a company would be to a region (and thus, how much in the way of incentives should be offered to the firm) they do not inquire about market shares; however, they insist on knowing how much money and how many jobs are being brought to the area.

capita tourism expenditure is one standard deviation above the mean, and therefore, the impact of BP’s tourism promotion spending is less than half of the national average. In fact, Mason, not Deskins & Seevers, made the error. Correcting Mason’s transcription error in the spreadsheet he produced, the correct mean value of tourism expenditure per capita is 2.00, and the standard deviation is 1.52, exactly as reported in Appendix A of Deskins & Seevers. In Table 5, Deskins & Seevers report Florida’s tourism expenditures per capita as 2.60. Using the correct mean value (2.00) and standard deviation (1.52), Florida is only 0.39 standard deviations above the mean ($= (2.6 - 2.0) / 1.52$), not an entire standard deviation, as Mason claims. Mason claims that Figure 2 in Deskins & Seevers shows that “a state with per capita tourism expenditures that was one standard deviation above the average would have nearly half the impact as for a state with average per capita tourism expenditures”. Therefore, a state like Florida that was 0.39 standard deviations above the mean would have roughly 20% lower impact from tourism promotional spending than would a state with the average per capita tourism expenditures ($20\% = 0.39 \times 0.5$), not 50% lower, as Mason claims.

A. Mason's Discussion on Labor Expenditures Highlights the Significance of BPXP in the Gulf Coast and U.S. Economies

In an effort to rebut my analysis of BPXP's impact on the Gulf Coast and U.S. economies, Mason highlights the high quality jobs BPXP and others in the oil and gas industry bring to the Gulf Coast economy:

"Dr. Scott notes that for the period 2009 – 2013 BPXP spent "\$2.1 billion on total employee compensation for work done for BPXP"; and spent roughly \$16.4 billion on vendors. He compares the wage and compensation package accruing to employees of BP to the average annual wages in the five Gulf Coast states. This comparison is misleading, as *oil and gas employees generally are highly paid.*"⁴⁴

Although Mason argues that my comment is misleading, he actually highlights the very point I stress—BPXP brings to the region jobs with wages that are far above the regional average. A state or region considering whether to try to attract a firm to its region places a greater value on firms that bring high-wage jobs instead of low-wage jobs. Table 1 on page 25 of his report shows BPXP's share of earnings in the Gulf is over 20% of the total. Remarkably, he seems to suggest that this implies that BPXP is unimportant or "modestly important". If any local or state economic developer was asked if a new firm was brought to their area that would bring in jobs that paid far above the average, are we to believe they would be indifferent? Based on my decades of experience, the high-paying jobs a new firm brings to a region is an important consideration when evaluating BPXP's impact on the Gulf Coast economy, and as reflected in my initial report, BPXP brings thousands of high-paying jobs to the Gulf Coast economy.⁴⁵

B. Mason Attacks Something Never Said or Implied

On pages 30-33 of his report Mason spends a great deal of time attacking a statement I never made, and would never make:

⁴⁴ Mason Rebuttal at 22.

⁴⁵ Scott at 49-53.

Dr. Scott argues that “BPXP’s production and investment activities result in large capital and operational expenditures, which have benefitted the Gulf Coast Region economy.” However, *BPXP did not undertake these capital and operational expenditures with the goal of benefitting the Gulf Coast economy.*⁴⁶ (emphasis added)

Nothing in my report suggests that BPXP is not in business to maximize shareholder wealth. The last sentence in the above quote does not follow from the first either naturally or logically, nor does it matter. The benefits that BPXP and other firms bring to society are not a function of their motivations. Instead, these benefits are the result of their actions, including capital and operational expenditures, which serve both the firms’ interest as well as the interests of their customers, employees and suppliers.

BPXP operates as part of a market economy. From a region’s point of view, however, what is important is the number of jobs a firm brings to the region, the level of pay of those jobs, and the amount of money the firm injects into the economy via capital and operating expenditures. As I discussed in my initial report, BPXP injects a substantial amount of money into the Gulf Coast regional and U.S. economies through its capital and operational expenditures. In 2013 alone, BPXP has over \$5.5 billion dollars in capital and operational expenditures.⁴⁷ Comparing BPXP’s 2013 capital expenditures to the latest fiscal year data for the approximately 80 companies in the Dow Jones US Oil and Gas Index, BPXP is in the top twenty companies in terms of capital expenditures.⁴⁸

⁴⁶ Mason Rebuttal at 30.

⁴⁷ Scott at 46, 48.

⁴⁸ All financial data from Yahoo finance as of September 22, 2014, <http://finance.yahoo.com/q/cp?s=%5EDJUSEN+Components>.

C. Herfindahl-Hirschman Index Fails to Account for Institutional Issues in the Gulf

Mason uses the Herfindahl-Hirschman Index (HHI) in an attempt to argue that it would be a simple matter for another firm to simply take over BPXP's role were it to exit the Gulf. In calculating the HHI for Gulf oil production he came to the following conclusion:

“Therefore, since Gulf oil production is competitive, BPXP's role in the Gulf oil industry production could be replicated by other firms seeking to develop the same resources.”⁴⁹

Regardless whether HHI is a good tool for measuring competitiveness, it does not measure how easy it would be to replace a particular firm in an industry. Further, HHI is not a measure of BPXP's role in the community as a whole. The HHI is simply an arithmetic calculation based on the market shares of the firms in the industry. Firms within an industry can differ dramatically with respect to their technological capabilities, their ability to invest and expand and a variety of other factors that affect their marketplace significance. These factors are not captured in market shares and HHI. The U.S. Department of Justice recognizes this in noting that HHI is only one of a wide variety of factors that are considered in evaluating the competitive effects of a merger.⁵⁰ Moreover, when applying the HHI, Mason fails to distinguish between deepwater and shelf Gulf of Mexico data, which creates a false impression that BPXP operates in an unconcentrated market.

As seen in Figure 7, BPXP is not a marginal or “boutique” player in the Gulf. As I noted in my initial report, BPXP ranks second in terms of oil production in the Gulf Coast region, with its share in 2013 being approximately 15%.⁵¹ Mason would describe this share as “only” 15%,

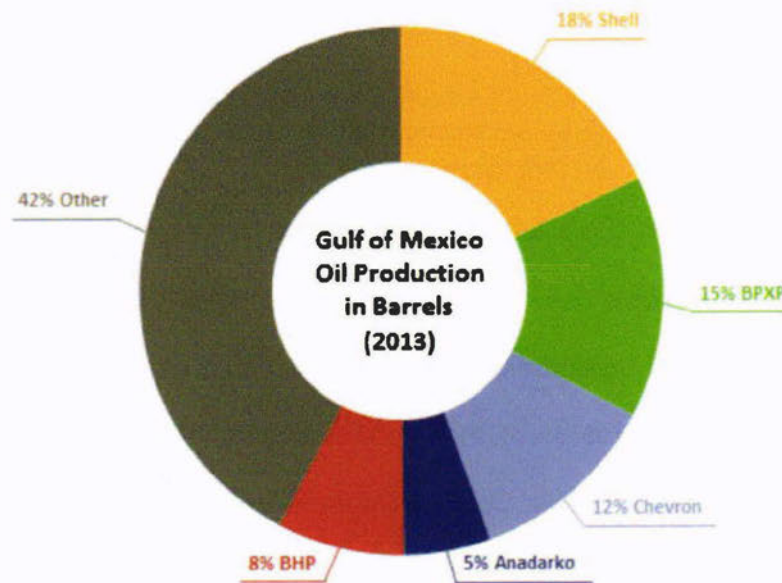
⁴⁹ Mason Rebuttal at 30.

⁵⁰ Merger Guidelines of the U.S. Department of Justice and Federal Trade Commission.

⁵¹ Scott at 58-59.

but it is clear from Figure 7 that BPXP is a major player among a very small set of about 5 major players.

Figure 7



In deepwater production, BPXP's position relative to other competitors only grows. In 2013 for depths greater than 1,000 meters, BPXP had 24.1% (BOE) of production in the Gulf of Mexico in a market where only four competitors had over 10% of deepwater production.⁵² Further, as reflected in Table 4, in this market of production in depths greater than 1,000 meters, the HHI shows that BPXP operates in a market is "moderately concentrated" rather than one that is unconcentrated.⁵³ This reflects the general understood notion that the deeper the water depth, the fewer industry participants.

Table 4⁵⁴

⁵² BSEE website.

⁵³ All BPXP operated assets are in depths greater than 1,000 meters.

⁵⁴ BSEE website.

	Production in all Depths	Production in Water > 1,000 m
2009	1,583.9	2,346.0
2010	1,391.8	2,107.5
2011	1,077.1	1,799.8
2012	949.5	1,570.6
2013	857.5	1,622.3

CONCLUSION

The opinions that I have expressed in this report are based on my education, training, and experience, and my review of materials in connection with this litigation. I hold these opinions to a reasonable degree of certainty. While I have done my best to review materials in this matter as they have become available, I reserve the right to supplement my opinions based on my review of additional information or reports.

Appendix A: L. Scott Consideration Materials

Bates Begin	Bates End	Document Title / Description
US_PP_MAS011942	US_PP_MAS011942	2009 - Gulf Data Oil Occupations Specific - Petroleum and Gas Industries.xlsx
BP-HZN-2179MDL09242146	BP-HZN-2179MDL09242171	2009 Economics of the Federal Gulf Shrimp Fishery
US_PP_MAS011943	US_PP_MAS011943	2010 - Gulf Data Oil Occupations Specific - Petroleum and Gas Industries.xlsx
BP-HZN-2179MDL09239024	BP-HZN-2179MDL09239064	2010 Economics of the Federal Gulf Shrimp Fishery
US_PP_MAS011944	US_PP_MAS011944	2011 - Gulf Data Oil Occupations Specific - Petroleum and Gas Industries.xlsx
BP-HZN-2179MDL09240536	BP-HZN-2179MDL09240561	2011 Economics of the Federal Gulf Shrimp Fishery
US_PP_MAS011945	US_PP_MAS011945	2012 - Gulf Data Oil Occupations Specific - Petroleum and Gas Industries.xlsx
US_PP_MAS011946	US_PP_MAS011946	2013 - Gulf Data Oil Occupations Specific - Petroleum and Gas Industries.xlsx
N/A	N/A	2013 State of the States: The AGA Survey of Casino Entertainment
N/A	N/A	BEA NIPA Data
N/A	N/A	Charles. F. Mason Round 2 Expert Report (09-12-2014)
US_PP_MAS011947	US_PP_MAS011947	'DataFinder-20140909210141.xls
BP-HZN-2179MDL09238619	BP-HZN-2179MDL09238635	Deskins & Seevers, Are State Expenditures to Promote Tourism Effective?
BP-HZN-2179MDL09240810	BP-HZN-2179MDL09241842	E&PD Settlement Agreement, Exhibit 10
US_PP_MAS011948	US_PP_MAS011948	gulf_tourism_population.xlsx
N/A	N/A	http://www.urnerbarry.com/welcometocomtell/
BP-HZN-2179MDL09310936	BP-HZN-2179MDL09310982	Joseph E. Aldy, "The labor Market Impacts of the 2010 Deepwater Horizon Oil Spill and Offshore Oil Drilling Moratorium", Harvard Kennedy School Mossavar-Rahmani Center for Business and Government, RPP-2014-16, 2014.
US_PP_MAS011949	US_PP_MAS011949	LeaseSharesGoM 2009-2013.xlsx
N/A	N/A	Loren Scott Round 2 Expert Report (09-12-2014) and Reliance Materials
N/A	N/A	Loren Scott Round 1 Expert Report (08-15-2014) and Reliance Materials
N/A	N/A	Merger Guidelines of the U.S. Department of Justice and Federal Trade Commission
BP-HZN-2179MDL09239854	BP-HZN-2179MDL09239992	NOAA, "Fisheries of the United States 2012," September 2013
US_PP_MAS011911	US_PP_MAS011911	PET PRI SPT S1 W.xls
US_PP_MAS011912	US_PP_MAS011912	SeriesReport-20140909153830.xlsx
N/A	N/A	Tourism Regression Analysis Work Paper
N/A	N/A	Yahoo Finance Data
N/A	N/A	BSEE Data
N/A	N/A	Urner Barry Shrimp Data
N/A	N/A	Wes Tunnell Round 1 Expert Report (08-15-2014)
N/A	N/A	Data from www.bea.gov

Appendix A: L. Scott Consideration Materials

Bates Begin	Bates End	Document Title / Description
N/A	N/A	Seafood Regression Analysis Work Papers
N/A	N/A	All Materials Cited in the Sep. 26, 2014 Expert Reply Report of Loren Scott

