



HERB MALONE

Title	President and chief executive officer
Organization	Alabama Gulf Coast Convention and Visitors Bureau
Website	www.gulfshores.com
Other	Malone has been at the Alabama Gulf Coast Convention and Visitors Bureau since its founding in 1993. Prior to his current position, he was president and CEO of the Alabama Gulf Coast Chamber of Commerce from August 1988 until September 1993. He holds degrees in business administration and economics from Livingston University.

“We’re Encouraged That the Future Is Brighter”

An Interview With Herb Malone of the Alabama Gulf Coast Convention and Visitors Bureau

Herb Malone spends more time than you do thinking about red snapper. That’s because a lot of people visit Alabama’s Gulf Coast to try and catch the tasty fish. Malone is president and chief executive officer of the Alabama Gulf Coast Convention and Visitors Bureau. *EconSouth* talked with him during the week after Labor Day about the impact of the Gulf oil spill.

EconSouth: *The effects of the oil spill, we’ve already seen, are severe, but how would you assess the summer season now that it’s over?*

Herb Malone: We lost about 50 percent of our tourist market [this summer]. A primary benchmark we measure is our lodging rentals. We saw our first impact in May, which was one of those months when we had a very strong, legitimate expectation of a 20 percent increase over last year. That [expectation] was due to a couple of factors. One was a huge new music festival. And then this Memorial Day was as late as it can be—May 31. When it’s late, and all schools are out, people launch their first summer vacation; they come for the weekend and stay for the week. May was off 5.6 percent compared to last year. So we lost the forecast 20 percent, plus 5.6 percent. June and July we had expectations of being up in double digits. June was down from last year by 38.4 percent and July was down 53.2 percent.

The other benchmark we follow is gross retail sales. May was off 4.3 percent from last year. June was off 22.4 percent and July was off 32.6 percent. In July, lodging was off 53 [percent] and retail was off 32 [percent] because the lodging folks took severe discounting to get people here.

ES: *Labor Day weekend was widely considered an important harbinger. How did it go?*

Malone: We were very encouraged. We had a tremendous crowd in town. Not a record-setting crowd, but we had some lodging properties report they were doing 90 percent [occupancy]. Now, they’re still discounting about 50 percent, but people came. There’s been concern all summer about, “Will people ever come back? Will the perception be that the water is forever polluted?” I think the Labor Day crowd has dismissed that fear for us.

ES: *Atlanta Fed economists figured the biggest long-term concern was the damage to the brand of the Gulf Coast as a tourism destination. So it sounds like early indications are it might not be too bad.*

Malone: That’s why Labor Day was encouraging. We were anxious about Labor Day because we had not had any oil on the beach in over a month. The federal agencies have reopened waters for swimming and for fishing; we’re har-

vesting the seafood. Those agencies such as the Alabama Department of Public Health, the EPA [Environmental Protection Agency], and the Alabama Department of Environmental Management have determined everything is safe. So our concern, then, was will people believe it's safe? This weekend [Labor Day] was the busiest weekend we've had all year, which was a big shot in the arm for us.

ES: *What are the big issues looking ahead? Does it look like the off-season will be OK?*

Malone: That's what we're hearing. We're still aggressively marketing, and we've got some exciting events planned, particularly in October. The annual Shrimp Festival [and] Thunder on the Gulf, our super powerboat race, which wasn't here last year, is back this year. That same weekend, we'll have two big beach concerts [Jon Bon Jovi and Brad Paisley]. We expect 30,000 to 40,000 people at each

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of those. I'm hearing reservations for September and October are increasing every day. So we're encouraged that the future is brighter than what a lot of us have been thinking it would be.

ES: *What elements need to fall into place for tourism in the months ahead?*

Malone: BP has got to take care of the remaining physical challenges. They've determined there is oil buried in the sand, buried by the waves. They've discussed mostly some kind of deep cleaning, with machines that reach down in the sand about 18 inches and get the oil out. I'm not sure when that's going to be implemented. Some of that oil is underwater

in the surf zone. When we have rough days, it uncovers it and churns it up. How they get that out is beyond my pay scale. In some people's opinion, it will take another round of beach nourishment, which is where you bring in fresh sand. That's a very large project, particularly if you do all 32 miles [of Gulf beachfront in Alabama]. It's going to take time and a lot of heavy equipment. Getting that done quickly is critical to us because we don't need that kind of work going into next spring. We need it done, ideally, between now and the first of January. The science world is going to continue to monitor the fish and seafood. So far, all the legitimate authoritative reports are that everything comes back as being very good.

ES: *Are some of the charter fishing workers getting back to work?*

Malone: They are. We've had two good things happen recently. This past week, NOAA [the National Oceanic and Atmospheric Administration] opened the waters south of Alabama to fishing. Our state waters reopened about 10 days ago, but our state waters only extend three miles out. Most of the charter boat-type fishing occurs beyond that three-mile line. The other good news is the National Marine Fisheries Service, the federal agency that manages the fish stocks in the Gulf, determined that the 2010 quotas of the red snapper, our marquee fish, had not all been caught during the open season primarily because so much of the waters were closed to fishing. So they've taken the remaining quota and set up a special fall red snapper season. It's going to open Oct. 1, and it's going to go for eight three-day weekends.

ES: *How is the claims process going? There were a lot of complaints about it through the summer.*

Malone: It's still about the same. Two weeks ago, the claims process transitioned [from BP] to Mr. [Kenneth] Feinberg's organization. He made a lot of bold promises I think he had full inten-

tion of keeping. But when it got into the actual delivery, it's yet to produce. What I'm hearing most people saying is they can't see where it's any better. Bottom line is, they need checks with some nice figures on them that they deserve and that they've documented.

ES: *Have you seen many businesses closing?*

Malone: We track particularly the tourist-related businesses. As of the end of last week, we had tracked six that had closed—a couple of parasail companies, one retail gift shop, one small restaurant, and a couple of other miscellaneous [businesses] that have closed. For those, summer is their entire business.

ES: *Do you have a reading on how many jobs were lost? I assume a lot of temporary summer jobs never got filled.*

Malone: The companies that usually ramp up with a lot of extra seasonal help basically canceled their seasonal help in May. Worse than that, at the end of the summer—and I don't have [data] on this, just what people are telling me—typically these businesses will carry their year-round employees through the winter, although they know they won't do big numbers in the off-season. But those are valuable employees they need. They can't just lay everybody off and start from scratch every spring. Many of them are telling me they're having to review that and make some reductions there. That's when it gets real emotional with people, when you lay somebody off that's been with you 10, 12, or 15 years. ■

This interview was conducted by Charles Davidson, a staff writer for EconSouth.