ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE
March 8, 2007
1:31 p.m.

MEMBERS PRESENT

Representative Kyle Johansen, Chair
Representative Craig Johnson
Representative Mike Doogan

MEMBERS ABSENT

Representative Mark Neuman, Vice Chair
Representative Anna Fairclough
Representative Vic Kohring
Representative Woodie Salmon

COMMITTEE CALENDAR

HOUSE BILL NO. 164
"An Act relating to reporting of vessel location by certain commercial passenger vessels operating in the marine waters of the state, to access to vessels by licensed marine engineers for purposes of monitoring compliance with state and federal requirements, and to the obligations of those engineers while aboard the vessels; and providing for an effective date."

- HEARD AND HELD

PRESENTATION: PORT OF BELLINGHAM

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 164
SHORT TITLE: OCEAN RANGERS & REPORTING VESSEL LOCATION
SPONSOR(s): TRANSPORTATION

02/28/07	(H)	READ THE FIRST TIME - REFERRALS
02/28/07	(H)	TRA, FIN
03/08/07	(H)	TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

RANDALL RUARO, Staff

to Representative Kyle Johansen
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented HB 164 on behalf the House Transportation Standing Committee, sponsor, which Representative Johansen chairs.

TOM DOW
Northwest Cruise Ship Association
Washington, DC
POSITION STATEMENT: Supported HB 164, presented information and answered questions.

ANDREW PHILLIPS, Marine Director
Princess Cruises
Palmdale, California
POSITION STATEMENT: During hearing on HB 164, presented information and answered questions.

DAVID WETZEL
Admiralty Environmental
Juneau, Alaska
POSITION STATEMENT: During hearing on HB 164, presented information and answered questions.

LYNN TOMICH KENT, Director
Division of Water
Department of Environmental Conservation
Anchorage, Alaska
POSITION STATEMENT: Reviewed the department's fiscal note for HB 164 and answered questions.

JIM DARLING, Executive Director
Port of Bellingham Commission
Bellingham, WA
POSITION STATEMENT: Presented information about the Port of Bellingham.

SCOTT WALKER, President
Port of Bellingham Commission
Bellingham, WA
POSITION STATEMENT: Presented a history and overview of the Port of Bellingham's terminal contract with the Alaska Marine Highway System (AMHS).

DAN STAHL, Director
Marine Services

Port of Bellingham
[No address available]
POSITION STATEMENT: Presented information about the Port of Bellingham.

ACTION NARRATIVE

CHAIR KYLE JOHANSEN called the House Transportation Standing Committee meeting to order at 1:31:52 PM. Representatives Johansen, Johnson, and Doogan were present at the call to order.

HB 164-OCEAN RANGERS & REPORTING VESSEL LOCATION

1:32:06 PM

CHAIR JOHANSEN announced that the first order of business would be HOUSE BILL NO. 164, "An Act relating to reporting of vessel location by certain commercial passenger vessels operating in the marine waters of the state, to access to vessels by licensed marine engineers for purposes of monitoring compliance with state and federal requirements, and to the obligations of those engineers while aboard the vessels; and providing for an effective date."

1:32:33 PM

CHAIR JOHANSEN noted that an issue he anticipated coming up is whether the legislature has the authority to amend an initiative. He requested that committee members keep those questions until next week when legal experts on the issue are available. He also stated that he would like to incorporate by reference the testimony documents that were before the committee during the 2/20/07 overview of the Ocean Ranger Program.

1:33:09 PM

RANDALL RUARO, Staff to Representative Kyle Johansen, Alaska State Legislature, presented HB 164 on behalf of Representative Johansen, chair of the House Transportation Standing Committee, sponsor of HB 164. He stated that keeping Alaska's waters clean is an important goal. He acknowledged that there were issues of serious concern with the old cruise ship fleet of several years ago. However, he said, that old fleet is very different from the fleet of today and the fleet of the future.

MR. RUARO urged the committee to focus and remember these differences because they are critical to understanding the bill

and the issues. He said that prior to 2002, only 2 out of the 24 cruise ships operating in Alaska had an AWTS (AWTS). Today, 24 out of 29 vessels have advanced treatment systems, an 1,100 percent increase in a five-year period. He related that the Department of Environmental Conservation (DEC) report entitled, "Assessment of Cruise Ship and Ferry Wastewater Impacts in Alaska," dated February 9, 2004, spells out why these AWTS are so important. He read from page 55 of the report [original punctuation provided]:

> Since the passage of the Alaska cruise ship laws, large cruise ships have installed advanced wastewater treatment systems that meet the stringent U.S. Coast Guard [USCG] requirements for continuous discharge. The quality of the wastewater on large ships has therefore improved dramatically.

MR. RUARO then read from page 35 of the report to illustrate how dramatic was the change [original punctual provided]:

> WET testing results and a comparison of sample results with Alaska Water Quality Standards indicate that the effluent from these advanced systems is not expected to cause toxicity to the marine environment. No human health risk is posed by the low concentration of tested pollutants found in wastewater samples.
>
> The wastewater samples indicate that hazardous materials are not being discharged through these wastewater treatment systems.

MR. RUARO then returned to pages 55 and 56 of the report and read further [original punctuation slightly modified]:

> Test results indicate that wastewater effluent from large ships with advanced wastewater treatment systems does not pose a risk to aquatic organisms, even during stationary discharges....None of the pollutants mentioned above are present in concentrations that should cause risks to human health.

1:36:21 PM

MR. RUARO noted that there are already several precautions in place by DEC and the USCG to make sure that the sampling and handling of the wastewater discharge is done properly and the results accurately reported. These precautions include: a)

always having the samples taken by a team of at least 2 trained employees of the independent contractor and these employees usually have a four-year degree in a science field, and b) having a DEC employee, who is trained in the science and proper monitoring and sample taking, periodically board a vessel with the independent contractor team for the purpose of watching over the team's work and evaluating and reporting the work based on 25 different criteria. This report is submitted in writing to DEC and the USCG, Mr. Ruaro said. At times there will also be a scientist from the University of Alaska who will periodically board the ships to observe and report on the sample taking procedures.

MR. RUARO stated that all of the sampling and testing procedures are reviewed annually by DEC and the USCG, and that the Quality Analysis Quality Control manual is also updated annually. He related that he reviewed audits of the independent contractor's work and that in 2006 the contractor did not fail any of the 25 criteria in the audits.

1:38:44 PM

MR. RUARO said that with these facts in mind, HB 164 narrows down the requirements of the Cruise Ship Ballot Initiative [Ballot Measure 2 passed by Alaska voters in August 2006]. He commenced with a section-by-section review of HB 164: Section 1 clarifies that the real-time hourly reports of vessel location go to the USCG, which is the federal agency charged with homeland security and pollution enforcement and monitoring for cruise ships. This clarification is because the initiative was ambiguous Cruise Ship Ballot Initiative in this regard. Section 2 clarifies when owners and operators have to allow an ocean ranger onboard the vessel. The language of the initiative says that owners and operators are required to have a USCG licensed marine engineer on board the vessel, but it does not specify when or for how long. This section states that ocean rangers are only to be onboard at times designated by DEC while the vessel is in port. Section 3 amends the scope of the public health duties to be performed by the ocean rangers to those duties related to the monitoring, observing, and recording of data and information that are related to the registration, reporting, record-keeping, and discharge functions required by state and federal law.

MR. RUARO reported that the scaled-down program envisioned by HB 164 costs significantly less to create and operate. The fiscal

note shows a reduction of roughly $4-$5 million in program costs.

1:41:41 PM

TOM DOW, Northwest Cruise Ship Association, stated that he is representing the association's member lines that are affected by this legislation. He said he is Vice President of Public Affairs for Carnival Corporation which is the parent corporation for Princess Cruises, Holland America Cruise Line, and Carnival Cruises.

MR. DOW noted that Alaska's involvement in wastewater discharges from cruise ships began in 1999. He said state legislation that passed in 2000 required cruise ships to meet tertiary treatment standards, the highest standard existing in the state at the time. The legislation was taken word-for-word from the standard for discharges in areas where there is seafood processing, he said. It is significant that the discharge standard is "at the end of the pipe", he explained. This is because most permitted, land-based wastewater systems rely on water quality at the "end of a mixing zone" to take into account the natural dilution that occurs after the waste stream exits the pipe. Therefore, "end of the pipe" is the highest standard of treatment and it is the easiest to measure and monitor for compliance because the test sample is simply taken at the end of the pipe and sent to a lab.

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MR. DOW related that there were no such systems on any ships, anywhere, when the law passed, so it allowed two years for research and development of a system that could be adapted for marine discharge within State of Alaska waters. These waters are defined as all of the waters of the Alexander Archipelago up to three miles beyond [shore]; and the three miles from shore in the Gulf of Alaska. He outlined the wastewater testing and sampling procedures which were discussed in detail later in the hearing by Mr. David Wetzel. Mr. Dow noted that 2007 will be sixth season of operation and that during this period the number of ships equipped with these treatment systems has increased from 25 percent to nearly 100 percent - only one or two ships do not have them. Of Carnival Corporation's combined fleet of 17 ships, 16 have the advanced systems, he said.

1:45:57 PM

MR. DOW stated that he thinks this is a success story. It has required a significant investment of time, training, and equipment and is now considered a model in most of the other coastal cruising areas of the country. He said that each year DEC publishes a report and that while things have not been perfect, lessons have been learned, and fine tuning and adjustments are always being made in conjunction with DEC, the private contractors, and the treatment plant vendors. Through competition among the cruise lines and the technology suppliers, three or four types of treatment systems were designed.

MR. DOW advised that work is ongoing to continue improving the wastewater treatment facilities and that the industry is willing to work with regulators to make further improvements. He related that the current systems are working as designed to comply with law and that they are providing adequate protection and are providing more treatment levels than are communities within the state. He stated that the Association does not think putting Ocean Rangers onboard will improve the quality of the water in Alaska and that there are other ways that might provide assurance of this. Hundreds of millions of dollars have been invested in these systems, he said, and they are state of the art. He voiced the Association's support for HB 164.

1:49:25 PM

REPRESENTATIVE DOOGAN asked whether someone "monkeying" with the waste treatment system is the only way for a noncompliant discharge to happen.

MR. DOW answered no, that the equipment can malfunction, such as a filter breaking loose, a pump pumping when it should not, or a valve not closing. This can happen accidentally with no intentional action on anyone's part. He noted that ships have a system of self-tests onboard that act as a method of early warning and that this is also what most municipal treatment plants also do. He said there is a procedure that must be followed if an independent lab finds a ship to be out of compliance. The state must be notified and given some indication of why the noncompliance happened and what corrective action will be taken. Until the system is fixed, retested, and recertified, the ship cannot discharge in state waters. He explained that, currently, cruise ships do not have a "permit", but they have "permission" to discharge. This permission is withdrawn if the ship is not meeting the standards. So, he said, there could be a brief period of time before a

[noncompliant] discharge is discovered, but these are infrequent.

1:52:28 PM

MR. DOW, in response to a question from Representative Johnson, explained that when there is a system failure the ship continues sailing and the effluent is diverted into a holding tank instead of being pumped overboard. The holding tank cannot be discharged until the ship is out of Alaska waters, he said, which means being 15-20 miles offshore and operating at higher speeds.

1:53:02 PM

REPRESENTATIVE DOOGAN inquired whether it is possible for an equipment failure or breakage to not be discovered for an extended period of time.

MR. DOW responded that it usually is not because the equipment is broken, it's usually a malfunction. He acknowledged that it is possible for there to be a period of time.

1:54:00 PM

ANDREW PHILLIPS, Marine Director, Princess Cruises, stated that all 8 of the Princess Cruises ships sailing in Alaska are fitted with advanced wastewater plant ships. The larger ships have three plants onboard and the smaller ships have two. He reported that if one plant goes down, the other two plants are capable of managing the wastewater onboard. Whether new or retrofitted, all of the ships' plants are made by the same manufacturer. He said that in these plants, the wastewater first goes through a biological treatment and then it goes through an advanced, high-pressure filtration system composed of micron-sized membranes to remove the bacteria. The wastewater receives a final ultra-violet (UV) treatment before being discharged overboard. Chlorine is no longer used for treatment. He related that the advanced wastewater treatment plants onboard the ships of every cruise line may have minor differences, but that generally they operate in the same fashion.

MR. PHILLIPS reported that Princess Cruises has found that the treatments plants exceed Alaska's requirements by at least half. He explained that because there is more than one plant onboard, the overboard discharge will still be in compliance even if there is a malfunction in one of the plants. When a malfunction

is detected, the plant can be shut down and repaired without affecting compliance. An initial issue with installing an advanced wastewater plant on a ship versus a land-based facility is that all of the systems onboard operate under vacuum systems with the toilets. Therefore, the amount of water used is a lot less and results in a much higher concentration. He noted that the systems are constantly being improved.

1:59:34 PM

MR. PHILLIPS noted that in the event of a power failure on Princess ships, discharge from the treatment plants cannot be resumed until the UV filter is again operational. He said that in addition to the twice-a-month test, Princess also tests every other week with a lab. Plus, he said, Princess conducts its own tests every single week. He stated that if an engineer observes discoloration in the discharge, the banks of membranes are arranged in groups so that they can be switched while the machinery is overhauled.

MR. PHILLIPS said there are regular maintenance overhauls of the plants on Princess ships. At the beginning of each Alaska season, a vendor comes out to the ships and monitors the plants to make sure everything is running. He said the plants are continuously running regardless of where the ships are sailing, they are not turned off when the ships leave Alaska. He reported that the Golden Princess, which will be sailing in Alaska this season, is currently being retrofitted with three plants at a cost of about $2.7 million.

2:02:48 PM

REPRESENTATIVE DOOGAN asked what alerts the ship's staff to a malfunction in the system.

MR. PHILLIPS replied that there is a discoloration and there is a turbidity alarm on the system that shuts the system down when there is a malfunction. He said the turbidity alarm does not actually measure the fecal coliform levels, but that the increase in turbidity indicates that the system is malfunctioning. The most common failure is that a membrane fails and the clear liquid becomes discolored, he said. Another problem that could occur is blockage of the diffusers that blow air into the tanks to provide oxygen for the biological actions to take place, and this would be indicated by a change in pressure which is monitored.

2:04:17 PM

MR. PHILLIPS, in response to a further question from Representative Doogan, stated that malfunctions are discovered relatively quickly. He acknowledged that there are times when the turbidity can still be fine even though there is a malfunction. The most common and easy test that is carried out onboard, he said, is the coliform test which takes a day to get the results. He noted that a discoloration from one of the membranes does not necessarily mean that the overboard effluent is out of compliance.

2:05:21 PM

REPRESENTATIVE JOHNSON inquired as to whether there are any ships sailing in Alaska waters that only have one wastewater treatment plant onboard.

MR. PHILLIPS said that the answer is "no" for Princess Cruises, but that he could not answer the question for the other cruise lines.

2:05:56 PM

REPRESENTATIVE JOHNSON asked if a ship with only two plants could still handle the wastewater if one of the plants malfunctioned.

MR. PHILLIPS responded that because the plants are built for increased capacity, they could still manage on one. Also, if needed, the ship would still have the additional holding tanks onboard.

2:06:30 PM

CHAIR JOHANSEN inquired as to whether these systems are approved by the U.S. Coast Guard (USCG).

MR. PHILLIPS reported that all of the systems onboard Princess ships are USCG certified and that they also have International Maritime Organization (IMO) certification. He clarified that within the IMO there is no recognition for advanced treatment plants, only that they meet the sanitation standards for "Type II". However, they do meet USCG certification for continuous discharge.

MR. PHILLIPS, in response to a further question from Chair Johansen, stated that there are engineering staff assigned with the responsibility of maintenance, as well as an environmental officer who has direct responsibility to the captain and they must report anything out of the ordinary. In addition to monitoring the plant and carrying out tests, the environmental officer must also monitor the records on a daily basis for ensuring that notifications and when and where there is discharge are in accordance with regulations.

2:08:32 PM

REPRESENTATIVE JOHNSON asked whether discharge is continuous, or as-needed, or does it go into a holding tank.

MR. PHILLIPS related that if a Princess ship has approval for continuous discharge, it will be discharging continuously as long as the systems are working properly. The exception is when the ship is in Glacier Bay, Tracy Arm, or College Fjord [in Prince William Sound], in which case the treated wastewater goes into a holding tank and is not discharged until the ship is outside of Alaskan waters.

MR. PHILLIPS, in response to a further question from Representative Johnson, said that there are numerous holding tanks onboard, some of which hold untreated wastewater.

2:10:14 PM

DAVID WETZEL, Admiralty Environmental, stated that his company is a third party independent firm that provides compliance sampling and contracted analytical services to cruise lines operating in Alaska. He noted that his company's third party independence is the basis for its internal quality programs and provides accurate and defensible results to the regulatory agencies involved.

MR. WETZEL discussed the Quality Assurance/Quality Control Plan (QA/QCP) that was adopted in 1999 after a series of public meetings. It was later promulgated into federal and state law and is still in effect today. Under the QA/QCP, each ship is subjected to two unannounced sampling events for a comprehensive list of conventional and priority pollutants. Items tested include traditional wastewater contaminants, organic chemicals, and trace metals. He said that the QA/QCP undergoes annual review from the regulatory agencies and all parties involved to ensure that the sampling program is effective and meets current

regulations. The QA/QCP is a 36 page document that explains in detail the unannounced sampling program including the purpose, methods, restriction, quality control, oversight, flow of information, and other things. Mr. Wetzel reported that his company develops a schedule of announced sampling events that is shared with the Department of Environmental Conservation (DEC) and the USCG, but not with the vessel owners. The agencies are welcome to attend and observe these sampling events.

MR. WETZEL explained that prior to entering Alaska waters each vessel is required to produce a Vessel Specific Sampling Plan (VSSP) that must be approved by both DEC and the USCG. Within this plan are outlines for all aspects of the ship's treatment system, including the flow rates, treatment capacity, sampling procedures, and contingencies in the event of system malfunction. He said that Admiralty Environmental's samplers are trained in all aspects of environmental sampling and are certified samplers through DEC. Each sampler has a full understanding of the QA/QCP and the VSSP for the specific ships that they will be sampling. A standard operating procedure is followed for all sampling and sample handling activities. He noted that the company's samplers are required to sign a code of ethics outlining their conduct and the disciplinary action for any violation of the internal procedures.

MR. WETZEL pointed out that the QA/QCP requires two separate quality control officers to oversee the project and ensure that the sampling team and laboratory facilities are following the plan's provisions. These officers are Mr. Jim Gendron of DEC and Dr. Lisa Hoferkamp of the University of Alaska Southeast. He reported that DEC conducts five audits throughout the season of Admiralty Environmental's sampling events and Dr. Hoferkamp conducts two separate audits of her own. The audit reports are shared with DEC, the USCG, and the project manager. The 2006 audit reports showed no major deficiencies, he noted. Additionally, the quality assurance officers also perform audits of the laboratory data to ensure its quality.

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MR. WETZEL reported that Admiralty Environmental samplers are on a permanent boarding list for all of the cruise lines so that they can gain passage for any unannounced sampling event in any Alaska port. Sampling was performed last season at all of the major cruise ship destinations in Alaska. He pointed out that the samplers verify that the ship is discharging overboard prior to sampling. While onboard the samplers follow procedures and

accompany the ship's environmental officer to the overboard sampling port where they verify that the port location agrees with the location outlined in the VSSP. Digital photos are also taken for documentation. The samplers take detailed field notes describing the sampling event and fill out a chain of custody form to accompany the samples to the laboratory. Mr. Wetzel said that the ship's environmental officer is asked to sign both documents to verify that the samples were taken from the correct location when the ship was discharging. When sampling is completed a copy is collected of the graywater and blackwater discharge record book that each ship is required to maintain.

MR. WETZEL noted that in addition to the unannounced sampling program, USCG Regulation 33CFR159 also allows for a continuous discharge program. He explained that to gain initial certification for Alaska waters, vessels must submit satisfactory results from five samples taken over a 30-day period. These sample results must meet federal limits for oxygen demand, suspended solids, pH, fecal coliform, and chlorine. Once certification is granted, vessels must submit two satisfactory samples monthly to maintain the certification. This sampling acts as a permitting-type system and is also monitored by DEC, he said. Of the 26 large ships operating in the program during the 2006 season, 23 obtained and maintained this continuous discharge certification. Most of these ships have maintained this certification during the off-season. All sampling and analytical procedures for this continuous discharge program must also follow the procedures in the QA/QCP for the unannounced program. Therefore, he pointed out, the sampling quality performed under both programs is essentially the same.

2:18:01 PM

MR. WETZEL stated that all data from unannounced and continuous discharge monitoring is concurrently delivered to the vessel owner and the pertinent regulatory agencies. In this way, Admiralty Environmental's activities are audited and monitored by the regulatory agencies to ensure quality. Additionally, he said, Admiralty Environmental is certified by both DEC and the U.S. Department of Defense and there are severe penalties for any mishandling of information.

2:18:57 PM

MR. WETZEL, in response to questions from Representative Johnson, clarified that the two unannounced sampling events are per season. He explained that the two monthly samples for

maintaining USCG continuous discharge certification are taken by Admiralty Environmental under a schedule that is proposed by the vessel. In response to further question, stated that the penalty for falsification of laboratory data would typically involve a five-year prison term and a substantial monetary fine. He said that the EPA in particular is very strict about this kind of thing.

2:20:49 PM

LYNN TOMICH KENT, Director, Division of Water, Department of Environmental Conservation, began by saying that the division is preparing to implement the initiative along with any refinements to the statute that the legislature might make. She said that the four changes made by HB 164 are probably most easily described in terms of their fiscal impacts. The division has submitted a fiscal note to the committee with the starting point for the fiscal note with the governor's fiscal year (FY) o8 amended budget, as suggested. The proposed legislation would significantly reduce the cost of the Ocean Ranger Program. She explained that the governor's amended budget was based on two ocean rangers per vessel for coverage 24 hours a day, 7 days a week. The division estimates that the total cost for implementing the program under HB 164 is just over $800,000, and the source of funds would remain the same.

2:23:03 PM

MS. KENT drew attention to page 2 of the fiscal note, which illustrates that for the program under HB 164 DEC believes it can reduce its staff from four to two the cost of which would be about $170,000. The fiscal note also illustrates that the travel line item has been reduced to about $8,000, which reflects the travel costs for the DEC staff only, not the ocean rangers. She then pointed out that HB 164 is silent with regard to the length of time the ocean ranger will be onboard the vessel and whether they will travel with the vessel. Committee staff has indicated that the intent is for the ocean ranger to only be onboard while the vessel is in port and thus the fiscal note reflects that the intent is that the ocean ranger will not travel with the vessel. The division estimates that about seven ocean rangers will be needed, with one based in Southcentral Alaska, two in Juneau, two in Ketchikan, and two that would cover the other Southeast Alaska port facilities. Since the ocean rangers will only be onboard the vessels while in port, the contractual funds for berthing of the ocean rangers on board the vessel are eliminated from the fiscal impacts.

MS. KENT noted that this legislation also focuses the duties of ocean rangers on wastewater discharge and pollution issues and ocean rangers would no longer be responsible to ensure that passengers, crew, and residents at port are protected from improper sanitation, health, and safety practices. Therefore, the narrower scope and fewer ocean rangers results in less training cost. Furthermore, contractual funds for vessel tracking would be eliminated since HB 164 clarifies that the vessel tracking information would go directly from the vessels to the U.S. Coast Guard. She noted that although the fiscal note continues to include some other contractual items, some of them have been reduced. Ms. Kent then drew attention to page 1 of the fiscal note, which requires DEC to review the current fiscal year costs, which is a negative number.

2:27:08 PM

REPRESENTATIVE JOHNSON related his understanding that an ocean ranger could do no more than two ships per day. However, there can be up to five ships moored in Juneau at one time. He asked if [the other ships] would be handled by the mobile rangers.

MS. KENT explained that an ocean ranger who is shore based can inspect two to possibly three vessels in a day, depending upon where the vessels are located. The traveling ocean rangers could supplement that on a large ship day as well as the DEC program lead. In further response to Representative Johnson, Ms. Kent related her belief that five ships could be handled in Juneau if three to four are tied up at the dock and one anchored.

2:28:56 PM

REPRESENTATIVE DOOGAN inquired as to what the Ocean Ranger Program under HB 164 is doing that is not being done under the current program.

MS. KENT answered that under HB 164 the ocean rangers would have a greater presence as they would be onboard more vessels than occurs under the current monitoring program. However, they would review some of the very same things that are currently reviewed in terms of the analysis of the samples and the discharge logs.

2:29:48 PM

REPRESENTATIVE DOOGAN surmised then that under HB 164 the ocean rangers would "essentially be doing over again what's already being done." He asked if that was Ms. Kent's understanding.

MS. KENT said they would perform similar work, just more of it.

2:30:10 PM

REPRESENTATIVE DOOGAN further surmised that the existing program that has been in place for five years would presumably continue no matter what happens with the ocean rangers. He questioned what the Ocean Ranger Program in HB 164 adds to the existing program.

MS. KENT explained that the program that Mr. Wetzel described is the sampling that's required by the vessel owners and operators. That program provides two per month sampling as well as independent and unannounced inspections and sampling. The Ocean Ranger Program would increase the level of independent inspection and oversight because ocean rangers would be onboard most vessels, if not all, when those vessels are in port. Ms. Kent, in further response to Representative Doogan, reiterated that the ocean rangers will be performing very similar work to that performed by Mr. Wetzel's program. Therefore, ocean rangers can take independent sampling.

2:32:06 PM

REPRESENTATIVE JOHNSON posed a situation in which HB 164 doesn't pass and ocean rangers are onboard vessels all the time. He inquired as to what those ocean rangers would be doing differently in such a situation than under the existing program. He mentioned that having ocean rangers onboard vessels all the time is more costly than [the existing program].

MS. KENT explained that under the current statute, the ocean rangers would review discharge and pollution issues as well as health, safety, and sanitation issues under both state and federal regulations for passengers, crew, and residents in port. The aforementioned is a much broader mandate than specified under HB 164.

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CHAIR JOHANSEN mentioned the very detailed federal oversight document.

2:33:38 PM

REPRESENTATIVE DOOGAN clarified that his concern is what HB 164 does or doesn't add to the existing program. He pointed out that the plain language of the law doesn't say anything about ocean rangers conducting any tests on their own, and therefore he said he understood that ocean rangers wouldn't be doing what Mr. Wetzel and his staff are doing.

MS. KENT said that there are some redundancies with the existing programs that would be imposed by the statutes as they are written.

2:34:29 PM

REPRESENTATIVE JOHNSON related his understanding that there is actually someone on board performing the federal oversight and that the state is merely adding another individual.

MS. KENT explained that the onboard environmental officer who is an employee of the cruise ship companies has onboard environmental responsibilities. The initiative calls for an independent observer to ensure the aforementioned work is performed appropriately.

2:35:23 PM

CHAIR JOHANSEN asked if DEC feels comfortable with the program in place prior to the initiative.

MS. KENT said that DEC feels that the existing program is very effective.

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CHAIR JOHANSEN, upon determining no one else wished to testify, announced that HB 164 would be set aside.

The committee took an at-ease from 2:36 p.m. to 2:53 p.m.

PRESENTATION: PORT OF BELLINGHAM

2:53:49 PM

CHAIR JOHANSEN announced that the next order of business would be a presentation by the Port of Bellingham.

JIM DARLING, Executive Director, Port of Bellingham Commission, stated that this is the port's 18th year of visiting Alaska since starting its contract with the Alaska Marine Highway System (AMHS). He introduced the port's delegation: Neil Clement who is responsible for emergency preparedness and planning; Dan Stahl, the director of marine services; Jim Jorgensen and Doug Smith, two the three elected port commissioners; and Scott Walker, and elected port commissioner and president of the board.

2:55:20 PM

SCOTT WALKER, President, Port of Bellingham Commission, reported that this is now 18 years of a 20 year contract and that he has been a port commissioner for almost 16 of those years. He said that the commission is hoping to extend the contract. He noted that the AMHS terminal moved from Seattle to Bellingham in 1988 and that the terminal is one of the nicest ever built in the U.S. He related that there was political outfall when the building costs were more than expected, and that his election was part of that outfall. However, since then, the building has become an icon, including being one of the most popular places in which to get married.

MR. WALKER stated that improvements to the terminal include the mid-1990s historical renovation of an old salmon cannery into the Amtrak and Greyhound station, so the terminal is truly multi-model with the ferry, train, and bus in one location. Later, because of the terminal's popularity with the community for social events, a $1 million renovation was undertaken that included improvements to the acoustics and the addition of meeting rooms. In the early 2000s the terminal received a national scenic highway designation.

MR. WALKER noted that while there are sometimes "ripples in the waves" between Alaska and Washington, the port commission does not have much to do with national politics and it has always been to the commission's benefit to be on Alaska's side. He mentioned the proposed Washington container tax as an example of something that is opposed by the port commission as well as the State of Alaska.

MR. WALKER emphasized that the commission is looking forward to continuing its partnership with Alaska. He said the total cost of the terminal was $12 million and that it has been leased to AMHS under a 20-year contract that included "no escalators". He related the commission's hope of coming up with something more

realistic to recover the costs of building the terminal. He said that the marine activity from the AMHS is very important to the community of Bellingham and is part of its identity.

3:02:13 PM

MR. WALKER, in response to a question from Representative Doogan, answered that the commission anticipates the rate increase will be fairly mild and that there will be negotiation. He acknowledged that Bellingham did put in a low bid in order to get the AMHS terminal, but that it has lived up its end of the contract. Therefore the commission would like to negotiate something that is more equitable.

3:03:12 PM

DAN STAHL, Director, Marine Services, Port of Bellingham, highlighted some of the key issues that the port is working on with AMHS staff. He explained that the port is responsible for the security plans for the terminal and that AMHS is responsible for the security plans onboard the vessel. The port is looking to more closely integrate those to ensure that, from a regulatory perspective, nothing falls through the cracks. He reported that there are strong and growing transportation links between Washington's communities. For example, he said, the Bellingham airport has a new service to augment tourist access to the AMHS and thereby increase ridership. Delta Airlines now flies directly from Salt Lake City to Bellingham, he reported, and Horizon Air is significantly increasing its "seat count" into Bellingham. The port works very hard on cost containment to ensure that the terminal provides affordable, high level service. He stated that the terminal was a purpose-built facility for the AMHS 20 years ago and that he is confident that any issues can be worked out for going forward.

3:05:38 PM

REPRESENTATIVE JOHNSON inquired whether any other ferries come into the Port of Bellingham.

3:05:48 PM

MR. STAHL responded that Washington has one of the largest ferry systems in the nation. The closest load center for the system is in Anacortes which is about an hour away from Bellingham. He said that there does not appear to be any shift that would bring them to Bellingham, but that there is an open dialog with the

state ferries. There is a private ferry service that runs on a seasonal basis from Bellingham to the islands, he reported.

MR. STAHL, in response to a further question from Representative Johnson, stated that the nearest Canadian ferry terminal is in Tsawwassen just above the border about an hour from Bellingham and that it connects to Vancouver Island and the Queen Charlotte Islands.

3:06:40 PM

MR. DARLING stated that the port has had a good working relationship with the AMHS and that the port will make the fees workable because it wants to continue the relationship. He related that the port is sensitive to the economics of the AMHS. He outlined examples of how the Bellingham community is connected economically, socially, and culturally to Alaska.

3:07:54 PM

REPRESENTATIVE JOHNSON noted that a regional organization has been established to discuss creating a type of "Euro pass" for when the Olympics Games come to western Canada. He asked whether there is public transportation between the Seattle and the Bellingham ferry terminal.

3:08:51 PM

MR. DARLING responded that this is a great idea and that one of the biggest connectors would be Amtrak because a person could literally get off the ferry and take the train directly to Vancouver, British Columbia and be at the Olympics. He said that there is also talk of a private "mosquito fleet" that would operate between cities like Anacortes and Bellingham and that this could be in operation by 2010. Additionally, he said, the State of Washington is focused on what the Olympic Games will do for the state and transportation is a major issue in that.

3:10:11 PM

CHAIR JOHANSEN stated that this is very important and that he anticipates the contract will probably be renewed. He said the Port of Bellingham has done a very good job for which he is very appreciative. He pointed out the economic importance of the ferry system not only to Southeast Alaska but the rest of the state as well.

MR. DARLING responded that the commission is planning to collect data on those economic benefits and will be sharing that information with the committee.

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:12 p.m.