

SB

308

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/00

FURTHER:

REPORTED OUT OF
SFC 4/19/00

DATE TURNED
IN TO OFFICE:

20 April 00

Finance Committee considered

SENATE BILL NO. 308

"An Act relating to certain passenger vessels operating in the marine waters of the state."

and recommends:

- be replaced with _____ CS SB 308 (FIN)
- adopt previous _____ CS CS ()
- attached amendment(s) forthcoming
- adopt Letter of Intent by _____
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Ed E. Kelly</i>	✓		
		<i>Lynne Brown</i>	✓		
		<i>Walt Kelly</i>	✓		
		<i>Dan... ..</i>	✓		
		<i>Al... ..</i>		✗	
		<i>Conyello</i>	✓		
Co-Chair:		Co-Chair: <i>...</i>	✓		
Co-Chair:		Co-Chair: <i>...</i>			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<u>forthcoming</u>			
<u>F/n</u>			
<u>Revenue</u>			
<u>#</u>			

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DOT	4/14/00	✓	
DEC	4/14/00		100.6

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 4/19/00

No. 2
Bill Version: SB 308
(S) Publish Date: 4-18-00

Revision Date/Time (Note if correction) _____	Dept. Affected <u>DOT&PF</u>
Title <u>"An Act relating to certain passenger vessels operating in the marine waters of the state"</u>	BRU <u>Marine Highway System</u>
Sponsor <u>Resources</u>	Component <u>Southeast & Southwest</u>
Requester <u>Senate Resources</u>	Component No. <u>630</u>
	<u>Vessel Operations</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: <u>Dennis Poshard, Special Assistant to the Commissioner</u>	Phone <u>465-3904</u>
Division: <u>Commissioner's Office</u>	Date/Time <u>4/14/00 2:17 PM</u>
Approved by: <u>Joseph L. Perkins</u>	Date _____
Agency: <u>Joseph L. Perkins, DOT&PF</u>	

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FISCAL NOTE

No. 1
 Bill Version: SB 308
 (S) Publish Date: 4-18-00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

REPORTED OUT OF
 SFC 4/19/00

Revision Date/Time (Note if correction) _____ Dept. Affected Environmental Conservation
 Title Reports from Marine Passenger Vessels BRU Air & Water Quality
 Component Air Quality
 Sponsor Senate Resources
 Requester Senate Resources Component No. 2061

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	60.4	35.2	35.2	35.2	35.2	35.2
Travel	5.0					
Contractual	28.7	5.9	5.9	5.9	5.9	5.9
Supplies	2.0	2.0	2.0	2.0	2.0	2.0
Equipment	4.5	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	100.6	43.1	43.1	43.1	43.1	43.1

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	100.6	43.1	43.1	43.1	43.1	43.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	100.6	43.1	43.1	43.1	43.1	43.1

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1.0	0.0	0.0	0.0	0.0	0.0
Part-time	0	1.0	1.0	1.0	1.0	1.0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Tom Chapple Phone 269-7686
 Division Air & Water Quality Date/Time 4/13/00 7:21 PM
 Approved by Commissioner [Signature] Date 4-14-00
 Agency Department of Environmental Conservation

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ATTACHMENT TO SB 308 FISCAL NOTE:

Fiscal Impact: In year one, one (1) full time position will be required to draft and administer regulations for the management of pollutant emissions into the Alaskan environment. One Environmental Specialist III will be located in Juneau to initially develop regulations and subsequently review monitoring data, conduct quality assurance reviews, and data analysis. The work tasks will include analysis of air, water, and hazardous and solid waste emissions throughout the coastal waters of the state, evaluation of the impacts, and information management. Once regulations have been developed, this position will be reduced to half time and will focus on the evaluation of summertime pollutant emissions.

During the first year, \$10.0 for professional services contracts is included to develop a database to manage and store emissions data received from the cruise ship industry. In addition, \$10.0 is included in the first year to cover advertising, printing, meeting, and mailing costs for two public notice periods on the regulations. Other contractual funds cover position support costs and technical assistance in the management of the database.

Personal Services New Position Detail

Department of Environmental Conservation
SB 308 Fiscal Note - FY2001 Projected

Scenario: FY2001 Legislative Fiscal Note Info - 2
Component: Air Quality (2061)
BRU Name: Air and Water Quality

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#031	Environmental Spec III	FT	A	GG	Juneau	1A	18 B	12.0		45,456	0	0	14,931	60,387

Justification:

Implementation of SB 308

Funding Detail:

1004	General Fund Receipts	100.00%	60,387
Total Funding:		100.00%	60,387

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	60,387
Total Funding:		100.00% 60,387

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

Personal Services New Position Detail

Department of Environmental Conservation
SB 308 Fiscal Note - FY2002 and Subsequent Years Projected

Scenario: FY2001 Legislative Fiscal Note Info - 2
Component: Air Quality (2061)
BRU Name: Air and Water Quality

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#031	Environmental Spec III	FT	A	GG	Juneau	1A	18 B	7.0		26,516	0	0	8,710	35,226

Justification:

Implementation of SB 308

Funding Detail:

1004	General Fund Receipts	100.00%	35,226
Total Funding:		100.00%	35,226

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	35,226
Total Funding:	100.00%	35,226

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.



Alaska State Senate

Senate Finance Committee

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 19 April 00 TIME: 10:30 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 4

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final please

w/ attached amendments

9:00 am Thurs

Thx
Mindy

SB 308 1-LS1617\ D 4/19/00

SENATE FINANCE
COMMITTEE
Amendment Number: #1
Bill Number: SB 308
Sponsor: Adams Date: 4/15/00
Logged In By: Jamie

AMENDMENT

IN THE SENATE FINANCE COMMITTEE
To: SB 308

By: Senator Adams

At Page 1, at line 4:

Insert new bill sections to read:

Sec. 1. AS 43.20 is amended to read:

Sec. 43.20 021. Internal Revenue Code adopted by reference. (a) Sections 26 U.S.C. 1 -1399 and 6001 - and 6001—7872 (Internal Revenue Code), as amended, are adopted by reference as part of this chapter. These portions of the Internal Revenue Code have full force and effect under this chapter unless excepted to or modified by other provisions of this chapter. [HOWEVER, NOTHING IN THIS CHAPTER OR IN AS 43.19 (MULTISTATE TAX COMPACT) MAY BE CONSTRUED AS AN EXCEPTION TO OR MODIFICATION OF 26 U.S.C. 883.]

Sec. 43.20.074. All business income of a taxpayer engaged in the cruise ship industry derived from gambling operations and activities as allowed by federal law in the State of Alaska shall be taxed at the rate of 2% of the gross revenues of the gambling operations and activities conducted in Alaska.

Re-number following sections accordingly.

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 308		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	ff		
<u>Objection by</u>	T		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Randy Phillips	✓		
Senator Dave Donley		+	
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	3		
Nay	0		
Absent	1		
<u>MOTION</u> FAIL			

Green COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 308		
Amendment	Report "D" as amended		
Motion	from committee		
<u>Motion by</u>	P		
<u>Objection by</u>	A		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Lyda Green	✓		
Senator Randy Phillips	✓		
Senator Dave Donley			✓
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken	✓		
Senator Pete Kelly			✓
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	36		
Nay	3		
Absent			
<u>MOTION</u>	Pass		

SENATE FINANCE
COMMITTEE

Amendment Number: #2

Bill Number: SB 308

Sponsor: Leman Date: 4/19/00

Logged In By: Jamie

① p. 1, line 1 Delete "passenger"

② Add new section:

* Section 1. AS 46.03 is amended by adding a new section to read:

Sec. 46.03.072. Exemption for certain United States Navy vessels from state marine water quality standards applicable to the discharge of hydrocarbons.

(a) Until September 1, ²⁰⁰⁵~~2010~~, the state's water quality standards, adopted as regulations under authority of AS 46.03.020(10) to effectuate the purposes of this chapter and under authority of other sections of this chapter, establishing limits on the total aqueous hydrocarbons and total aromatic hydrocarbons permissible in the marine water column that are more stringent than the requirements of comparable water quality standards set out in federal law or adopted in federal regulation do not apply to a vessel of the United States Navy operating in the marine waters of the state if the vessel uses a seawater compensation system.

(b) Notwithstanding the exemption provided by (a) of this section, a vessel of the United States Navy operating in the marine waters of the state that uses a seawater compensation system may not discharge oil into state waters in violation of 33 U.S.C. 1321 (sec. 311, Federal Water Pollution Control Act, as amended) and regulations adopted under authority of that section.

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 308(), Draft Version "D"

1 Page 2, line 6, following "receipts.":

2 Insert

3 "(a) The proceeds from the tax on travel on commercial passenger vessels
4 providing overnight accommodations in the state's marine water shall be deposited in
5 a special commercial vessel passenger tax account in the general fund. The legislature
6 may appropriate money from this account for the purposes described in (b) of this
7 section and for state-owned port and harbor facilities.

8 (b)"

FAX: SENATE FINANCE PAGE 2
COMMITTEE LA
Amendment Number: 4 1-LS1617/D.3
Bill Number: HB 308 Kurtz
Sponsor: Torrey Date: 4/19/00 4/19/00
Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 308(), Draft Version "D"

- 1 Page 1, line 2, following "the state".
- 2 Insert "; and providing for an effective date"
- 3 Page 10, following line 9:
- 4 "* Sec. 4. This Act takes effect July 1, 2000."

1-LS1617D
Kurtz
4/19/00

CS FOR SENATE BILL NO. 308()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain passenger vessels operating in the marine waters of
2 the state."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 43 is amended by adding a new chapter to read:

5 Chapter 52. Excise Tax on Travel Aboard Commercial Passenger Vessels.

6 Sec. 43.52.010. Levy of excise tax on overnight accommodations on
7 commercial passenger vessels. There is imposed an excise tax on travel on
8 commercial passenger vessels providing overnight accommodations in the state's
9 marine water.

10 Sec. 43.52.020. Rate of tax. The tax imposed by AS 43.52.010 - 43.52.095
11 is levied at a rate of \$50 a passenger per voyage.

12 Sec. 43.52.030. Liability for payment of tax. A passenger traveling on a
13 commercial passenger vessel providing overnight accommodations in state marine
14 water is liable for the tax imposed by AS 43.52.010 - 43. 52.095. The tax shall be

1 collected and is due and payable to the department

2 (1) by the person who provides travel aboard a commercial vessel for
3 which the tax is payable; and

4 (2) in the manner and at the times required by the department by
5 regulation.

6 **Sec. 43.52.040. Disposition of receipts.** For each sailing of a commercial
7 passenger vessel providing overnight accommodations, the commissioner shall identify
8 the first five ports of call in the state and the number of passengers on board the vessel
9 at each port of call. Subject to appropriation by the legislature, the commissioner
10 shall distribute to each of the first five ports of call \$5 per passenger of the tax
11 revenue collected from the tax levied under this chapter. If the port of call is a city
12 located within a borough, the commissioner shall distribute \$2.50 per passenger to the
13 city and \$2.50 to the borough.

14 **Sec. 43.52.050. Administration.** (a) The department shall

15 (1) administer this chapter; and

16 (2) collect, supervise, and enforce the collection of taxes due under this
17 chapter and penalties as provided in AS 43.05.

18 (b) The department may adopt regulations necessary for the administration of
19 this chapter.

20 **Sec. 43.52.060. Prohibition on local levies.** A municipality, whether home
21 rule or general law, may not impose any form of tax on travel on commercial
22 passenger vessels in state marine water.

23 **Sec. 43.52.095. Definitions.** In this chapter,

24 (1) "commercial passenger vessel" means a boat or vessel that is used
25 in the common carriage of passengers in commerce; "commercial passenger vessel"
26 does not include

27 (A) vessels with fewer than 50 berths or overnight
28 accommodations for passengers;

29 (B) noncommercial vessels, warships, and vessels operated by
30 the state, the United States, or a foreign government;

31 (2) "marine water of the state" and "state marine water" have the

1 meaning given to "waters" in AS 46.03.900, except that they include only marine
2 waters.

3 (3) "passenger" means a person whom a common carrier has contracted
4 to carry from one place to another.

5 * Sec. 2. AS 46.03 is amended by adding new sections to read:

6 **Article 6A. Large Passenger Vessels.**

7 **Sec. 46.03.460. Registration requirements.** (a) Except as provided in
8 AS 46.03.484, each calendar year in which the owner or operator of a large passenger
9 vessel intends to operate, or, cause or allow to be operated, the vessel in the marine
10 waters of the state, the owner or operator of the vessel shall register with the
11 department. The registration shall be completed no later than 72 hours after any large
12 passenger vessel of the owner or operator calls upon a port in the state. The
13 registration must include the following information:

14 (1) the vessel owner's business name and, if different, the vessel
15 operator's business name for each large passenger vessel of the owner that is scheduled
16 to be in the marine waters of the state during the calendar year;

17 (2) the postal address, electronic mail address, telephone number, and
18 facsimile number for the principal place of each business identified under (1) of this
19 subsection;

20 (3) the name and address of an agent for service of process for each
21 business identified under (1) of this subsection; the owner and operator shall
22 continuously maintain a designated agent for service of process whenever a large
23 passenger vessel of the owner or operator is in the marine waters of the state, and the
24 agent must be an individual resident of this state, a domestic corporation, or a foreign
25 corporation having a place of business in and authorized to do business in this state;
26 and

27 (4) the name or call sign of and Port of Registry for each of the
28 owner's or operator's vessels that is scheduled either to call upon a port in this state
29 or otherwise to be in the marine waters of the state during the calendar year occurring
30 after the date of registration.

31 (b) Registration under (a) of this section shall be signed under oath by the

1 owner or operator.

2 (c) Upon request of the department, the registrant shall submit registration
3 information required under this section electronically.

4 **Sec. 46.03.465. Information-gathering requirements.** (a) Owners and
5 operators of large passenger vessels shall, for the time during any calendar month in
6 which they operate, or cause or allow to be operated, a large passenger vessel in the
7 marine waters of the state, record or cause to be recorded all information necessary to
8 completely report as required by AS 46.03.475.

9 (b) At least once during each calendar month in which a large passenger vessel
10 is present in the marine waters of the state, the owner and operator of the vessel shall
11 measure visible emissions, excluding condensed water vapor, of the vessel while the
12 vessel is at berth or at anchor in a port of this state. Except as provided in (d) of this
13 section, the measuring technique and the duration of the measurement used to satisfy
14 the requirement of this subsection must have been approved by the department before
15 the measurement was taken.

16 (c) The department may adopt regulations directing owners and operators of
17 large passenger vessels to quantify and qualify the releases of waterborne pollutants
18 from their vessels into the marine waters of the state.

19 (d) If the owner or operator of a large passenger vessel has, when complying
20 with another state or federal law that requires substantially equivalent information
21 gathering, gathered the type of information required under this section, the owner or
22 operator shall be considered to be in compliance with this section.

23 **Sec. 46.03.470. Record keeping requirements.** An owner or operator subject
24 to AS 46.03.465 shall record the information required to be gathered under that section
25 and shall maintain the records for three years after the date the information was
26 gathered.

27 **Sec. 46.03.475. Reporting requirements.** (a) An owner or operator of a
28 large passenger vessel shall, within 10 days after the end of a calendar month in which
29 the owner or operator has operated, or caused or allowed to be operated, a large
30 passenger vessel in the marine waters of the state, submit to the department a report
31 concerning the offloading or release of pollutants from that vessel that occurred during

1 the previous calendar month. The report must

2 (1) include the information required for releases by (c) and (d) of this
3 section;

4 (2) include the information required for offloading by (e) - (g) of this
5 section; and

6 (3) be limited to releases and offloading that occurred while the vessel
7 was in the marine waters of the state.

8 (b) The information in the report required under this section may be provided
9 by referring to, or including copies of, other reports concerning pollutants that are
10 required by substantially equivalent state or federal reporting requirements.

11 (c) For each release of a pollutant, except for a release by an emission to
12 ambient air from a stack, the report required under this section must describe the

13 (1) location of the release, including latitude and longitude;

14 (2) date and time of the release;

15 (3) volume or weight, and type and source of the pollutant released;

16 (4) processing or treatment used on the pollutant before the release;

17 (5) circumstances surrounding and cause of the release, including a
18 statement as to whether the release was intentional or accidental;

19 (6) environmental damage caused by the release, to the extent the
20 damage can be reasonably identified; and

21 (7) remedial efforts taken to prevent accidental recurrence of the
22 release.

23 (d) For emissions to ambient air from a stack, the report required under this
24 section must include the measurements of visible emissions collected under
25 AS 46.03.465(b) and, if a stack on the vessel is equipped with continuous emission
26 monitors, the recordings printed by the monitors for the time during that month that
27 the vessel was in the marine waters of the state.

28 (e) For pollutants that were offloaded, the report required under this section
29 must describe the

30 (1) location of offloading;

- 1 (2) date of offloading;
- 2 (3) volume or weight, and type and source of the offloaded material;
- 3 (4) ultimate destination of the offloaded material; and
- 4 (5) processing or treatment received by the offloaded material before
- 5 or during the offloading.

6 (f) If hazardous waste was offloaded from the vessel and the hazardous waste
7 was manifested in accordance with 42 U.S.C. 6921 - 6939a (Subtitle C of the Solid
8 Waste Disposal Act), the report required under this section may, instead of the
9 information described in (e) of this section, include a copy of the manifest. If
10 hazardous waste was offloaded from the vessel without a manifest, the report required
11 under this section must, in addition to the information described in (e) of this section,
12 describe the reasons why the waste was offloaded without a manifest.

13 (g) For graywater, sewage, and other wastewater, the report required under this
14 section must state whether the graywater, sewage, and other wastewater were mixed
15 with one another or with other pollutants before or during offloading. If mixing of
16 pollutants occurred before or during offloading, the report must identify the specific
17 pollutants involved in the mixing, if feasible. If identification of the specific pollutants
18 is not feasible, the report must identify the waste streams in the mixture.

19 (h) To the extent allowed under federal law, the department may by regulation
20 require an owner or operator to submit supplemental or additional information
21 concerning the releases or offloading of pollutants.

22 (i) A record or report submitted under this section shall be signed under
23 penalty of unsworn falsification by the owner, operator, or a responsible official of the
24 reporting vessel and must include the following statement: "Based on information and
25 belief formed after reasonable inquiry, I certify that the statements and information in
26 and attached to this document are true, accurate, and complete."

27 (j) Upon request of the department, the report required under this section shall
28 be submitted electronically.

29 (k) This section does not relieve the owner or operator of a large passenger
30 vessel from other applicable reporting requirements of state or federal law.

31 **Sec. 46.03.480. Penalties.** (a) An owner or operator who fails to comply with

1 AS 46.03.460 may not bring a claim or counterclaim in a court of this state for a cause
2 of action that arose during the time that the owner or operator was out of compliance
3 with AS 46.03.460.

4 (b) An owner or operator who fails to comply with AS 46.03.460 or a
5 reporting requirement of AS 46.03.475 is subject to an administrative penalty of not
6 more than \$50 a day for each day of noncompliance with each requirement as
7 determined by the commissioner subject to right of appeal to the superior court.

8 **Sec. 46.03.484. Exemption for vessels in innocent passage.** AS 46.03.460 -
9 46.03.490 do not apply to a large passenger vessel that operates in the marine waters
10 of the state solely in innocent passage. For the purpose of this section, a vessel is
11 engaged in innocent passage if its operation in state waters would constitute innocent
12 passage under the

13 (1) Convention on the Territorial Sea and the Contiguous Zone,
14 April 29, 1958, 15 U.S.T. 1606; or

15 (2) United Nations Convention on the Law of the Sea 1982,
16 December 10, 1982, United Nations Publication No. E.83.V.5., 21 I.L.M. 1261 (1982).

17 **Sec. 46.03.485. Regulations.** The department may adopt regulations that are
18 necessary for the implementation of AS 46.03.460 - 46.03.490.

19 **Sec. 46.03.490. Definitions.** In AS 46.03.460 - 46.03.490,

20 (1) "agent for service of process" means an agent upon whom process,
21 notice, or demand required or permitted by law to be served upon the owner or
22 operator may be served;

23 (2) "air contaminant" means a substance within the meaning given to
24 "air contaminant" in either AS 46.03.900 or AS 46.14.990;

25 (3) "ambient air" has the meaning given in AS 46.14.990;

26 (4) "ballast water" means water and suspended matter taken on board
27 a vessel to control or maintain trim, draught, stability, or stresses of the vessel,
28 regardless of how the water and suspended matter are carried;

29 (5) "emission" means a release of one or more pollutants into the
30 atmosphere;

31 (6) "graywater" means galley, bath, and shower water;

- 1 (7) "hazardous substance" has the meaning given in AS 46.03.826;
- 2 (8) "hazardous waste" has the meaning given in AS 46.03.900 and
3 includes wastes that meet that definition and have been collected from staterooms,
4 crew quarters, and other passenger or crew accommodations;
- 5 (9) "large passenger vessel" means a vessel of 300 gross registered tons
6 or greater that is engaged in the carrying of passengers for hire, excluding
- 7 (A) vessels without berths or overnight accommodations for
8 passengers; and
- 9 (B) noncommercial vessels, warships, and vessels operated by
10 the state, the United States, or a foreign government;
- 11 (10) "marine waters of the state" has the meaning given to "waters" in
12 AS 46.03.900 except that it includes only marine waters;
- 13 (11) "medical waste" includes each of the types of solid waste listed
14 in 42 U.S.C. 6992a (Demonstration Medical Waste Tracking Program, sec. 11002 of
15 the Solid Waste Disposal Act);
- 16 (12) "offloading" means the removal of pollutants from a large
17 passenger vessel onto or into a controlled storage, processing, or disposal facility or
18 treatment works;
- 19 (13) "oil" has the meaning given in AS 46.04.900;
- 20 (14) "pollutant" means air contaminant, biological materials, chemical
21 wastes, graywater, hazardous substances, hazardous waste, industrial waste, incinerator
22 residue, medical waste, munitions, oil, radioactive materials, sewage, sewage sludge,
23 solid waste, toxic waste, and wrecked or discarded equipment, except that "pollutant"
24 does not include ballast water, a consumer product in consumer use, or, with respect
25 to offloading, a product that remains capable of being put to the beneficial use for
26 which the product was intended;
- 27 (15) "release" means spilling, leaking, pumping, pouring, emitting,
28 emptying, discharging, injecting, escaping, leaching, dumping, placing, or disposing
29 of pollutants into the environment, including the abandonment or discarding of bags,
30 containers, and other receptacles containing a pollutant, and without regard to whether
31 the pollutants left the vessel through a discrete conveyance or a nonpoint source;

1 (16) "responsible official" means

2 (A) for a corporation, a president, secretary, treasurer, or vice-
3 president of the corporation in charge of a principal business function, or any
4 other person who performs similar policy or decision-making functions for the
5 corporation, or a duly authorized representative of that person if the delegation
6 of authority to the representative is approved in advance by the department;

7 (B) for a partnership, sole proprietorship, or limited liability
8 company, a general partner, the proprietor, or the manager or managing
9 member, respectively;

10 (17) "sewage" has the meaning given in 33 U.S.C. 1322 (sec. 312,
11 Water Pollution Control Act);

12 (18) "stack" means a chimney or conduit through which air or air
13 contaminants are emitted into the atmosphere;

14 (19) "vessel" means any form or manner of watercraft, other than a
15 seaplane on the water, whether or not capable of self-propulsion.

16 * Sec. 3. AS 46.03.760(e) is amended to read:

17 (e) A person who falsifies a registration or report required by AS 46.03.460
18 or 46.03.475 or who violates or causes or permits to be violated a provision of
19 AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, AS 46.14, or a regulation, a lawful
20 order of the department, or a permit, approval, or acceptance, or term or condition of
21 a permit, approval, or acceptance issued under AS 46.03.250 - 46.03.314, 46.03.460 -
22 46.03.490, or AS 46.14 is liable, in a civil action, to the state for a sum to be assessed
23 by the court of not less than \$500 nor more than \$100,000 for the initial violation, nor
24 more than \$10,000 for each day after that on which the violation continues, and that
25 shall reflect, when applicable,

26 (1) reasonable compensation in the nature of liquidated damages for
27 any adverse environmental effects caused by the violation, that shall be determined by
28 the court according to the toxicity, degradability and dispersal characteristics of the
29 substance discharged, the sensitivity of the receiving environment, and the degree to
30 which the discharge degrades existing environmental quality; for a violation relating
31 to AS 46.14, the court, in making its determination under this paragraph, shall also

1 consider the degree to which the discharge causes harm to persons or property; this
2 paragraph may not be construed to limit the right of parties other than the state to
3 recover for personal injuries or damage to their property;

4 (2) reasonable costs incurred by the state in detection, investigation, and
5 attempted correction of the violation;

6 (3) the economic savings realized by the person in not complying with
7 the requirement for which a violation is charged; and

8 (4) the need for an enhanced civil penalty to deter future
9 noncompliance.

Wilken COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 308		
Amendment	CS "D"		
Motion	adopt as Workdraft		
<u>Motion by</u> P			
<u>Objection by</u> none			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			

Adams COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 308		
Amendment	#4		
Motion	adpt		
<u>Motion by</u> P			
<u>Objection by</u> none			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u> Pass			

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 308		
Amendment	#3		
Motion	adopt		
<u>Motion by</u>	Ph		
<u>Objection by</u>	none		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

Kelly COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 308		
Amer.dment	#2		
Motion	amend		
<u>Motion by</u>			
L			
<u>Objection by</u>			
none			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			
Pass			

change "2010"
to "2005"

Donley COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 308		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	L		
<u>Objection by</u>	T		
Removed	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Senator Randy Phillips			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u> Pass			



Official Business

ALASKA STATE LEGISLATURE

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801

Chairman: Senator Rick Halford
Vice Chair: Senator Robin Taylor
Senator Lyda Green
Senator Pete Kelly
Senator Jerry Mackie
Senator Sean Parnell
Senator Georgianna Lincoln

Sponsor Statement Senate Bill 308

"An Act relating to certain passenger vessels operating in the marine waters of the state."

Senate Bill 308 requires the cruise ships that bring more than half a million tourists into our state each year to keep track of and report the amount and type of pollutants, emissions, hazardous materials and sewage they release or offload while in our state waters. It also requires these vessels to provide contact and ownership information to the state.

In the aftermath of the Holland America and Royal Caribbean pollution violations in Southeast Alaska, it is clear that state and federal agencies are not getting the information they need to know with respect to cruise ship waste management practices. The 1999 cruise ship air emission violations recently cited by the Environmental Protection Agency against six cruise line companies operating in Juneau, Glacier Bay, and Seward further underscore public and agency concerns about the need for routine and comprehensive reporting of all wastes generated by cruise ships operating in Alaska.

The information required by SB 308 will give the state consistent information from each vessel, which can be used to gauge the cumulative effect of the ships that ply Alaska's waters. Having sound, scientific data available will give the state and the industry the information they need to develop a comprehensive plan to protect our waters.



Official Business

ALASKA STATE LEGISLATURE

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801

Chairman: Senator Rick Halford
Vice Chair: Senator Robin Taylor
Senator Lyda Green
Senator Pete Kelly
Senator Jerry Mackie
Senator Sean Parnell
Senator Georgianna Lincoln

SB 308 Sectional Analysis

Section 1: adds new sections to AS 46.03, the Environmental Conservation statutes.

Sec. 46.03.460 requires an owner/operator who conducts business in Alaska to register each vessel annually with DEC, prior to bringing the vessel into state waters.

Sec. 46.03.465 requires the owner/operators to monitor cruise ship pollutants in order to fulfill the reporting requirements under AS 46.03.475. Monthly sampling of visible emissions from vessels while in an Alaskan port is required. Clarifies that information need only be collected for the amount of time that the vessel is in state waters and that information collected for another, substantially similar report will be sufficient.

Sec. 46.03.470 requires that records be maintained for three years.

Sec. 46.03.475 establishes the monthly reporting that must occur for several categories of pollutants. Specifies a timetable for these reports, the type of information required, and requires a statement regarding the accuracy of the report. Clarifies that the information provided for another, substantially similar report will be accepted.

Sec. 46.03.480 establishes civil penalties for failing to register, failing to report, and falsifying a registration or report.

Sec. 46.03.485 gives DEC rule-making authority to implement this legislation.

Sec. 46.03.490 Definitions.

Section 2 amends AS 46.03.760(e) to reflect the penalties incorporated into 46.03.480(c)

TABLE 1

SB 308: MONITORING AND REPORTING POLLUTANT RELEASE AND OFFLOADING IN ALASKA

Pollutant Category	[----- Reporting the Release of a Pollutant -----]						
	Date/Time	Location Lat/Long	Volume	Source	Intentional or Accidental	Identifiable EnvDamage	Efforts to Prevent Accidents
Hazardous Waste	x	x	x	x	x	x	x
Solid & Industrial Waste	x	x	x	x	x	x	x
Stack Emissions	Monthly	In Port					
Sewage	x	x	x	x	x	x	x
Graywater & other Wastewater	x	x	x	x	x	x	x
Medical Waste	x	x	x	x	x	x	x

[----- Additional Reporting Requirements -----]	
Hazardous Waste	Copy of manifest prepared under 42 USC 6921-6939 If offloaded w/out manifest: volume, source, location, destination of waste, reasons
Solid & Industrial Waste	If offloaded: weight, composition, location & destination Quantity processed onboard & explanation if processed waste released or offloaded
Stack Emissions	At least monthly measurements of visible emissions in port, or if equipped with continuous emission monitor the recordings while in AK waters
Sewage	Description of onboard treatment works, quantity processed onboard & explanation if treated waste released or offloaded
Graywater & other Wastewater	Location of offloading
Medical Waste	Description of any onboard treatment & manner/method of disposal if treatment or disposal in Alaska

NOTE: SB 308 requires monitoring of the various wastes in order to meet the above reporting obligations.

Law calls for cruise line to report ship pollution

■ Kertula says bill puts ship companies in line with other industries

By SVEND HOLST
THE JUNEAU EMPIRE



A bill that would require big cruise ships to report on the kinds and amounts of pollutants they're producing made its first legislative port of call Tuesday.

It cruised through the House Transportation Committee on a 3-2 vote.

House Bill 371 would mandate that passenger ships over 300 gross tons - big cruise ships - register with the state and file pollutant reports with the Department of Environmental Conservation.

About 550 cruise ships visited Alaska last summer, bringing in about 700,000 tourists, said the bill's sponsor, Rep. Beth Kertula.

The Juneau Democrat said cruise ship companies wouldn't need to spend a lot of money to meet the bill's requirements. All she wants, she said, is for the cruise lines to let the state know how much potentially foul material - dishwasher, treated sewage and smoke stack emissions - the ships are producing.

That information is lacking today, she said.

"The bill is basically a right-to-know bill," she said. "We've seen some problems with waste."

She said the bill would put the cruise ship industry in line with the mining, oil and seafood processing industries, which all must submit environmental reports with the state.

No representatives of the major cruise lines testified at the hearing. All those who did testify favored the measure, including representatives of the Department of Environmental Conservation, the U.S. Environmental Protection Agency, the U.S. Coast Guard and cruise lines running smaller vessels not covered by the bill.

"We don't have the facts about the environmental impacts of these coating cities ... and that is unacceptable," said Mike Conway, with DEC.

The bill moved out of the committee with the support of Reps. Andrew Halero, an Anchorage Republican, and Democrats Al Jakesh of Angoon and Allen Kemmer of Anchorage.

The two no votes came from Republican Reps. John Cowderly of An-

Activists petition EPA to act on cruise waste

By FERN CHANDONNET
THE JUNEAU EMPIRE

The environmental group Bluewater Network and 53 other organizations filed a petition Tuesday with the U.S. Environmental Protection Agency to address what they call the "titanic amount of pollution being caused by cruise ships."

The petition highlights loopholes and exemptions in environmental law that should be controlling pollution caused by the ships, according to the San Francisco group's spokeswoman, Kira Schmidt.

The regulations were formulated with passage of the Clean Water Act in the early 1970s, Schmidt said. And they haven't been updated since cruise ships became huge sailing cities.

Cruise ship companies themselves apply to the EPA to be included within certain categories. Often the ships are regulated, no matter their size, as "small quantity generators," which means they produce less than 220 pounds of waste per month, she said.

"Once the EPA gets a good handle on the amount of waste produced - something they don't have now - they're going to realize the regulations are inadequate," Schmidt said.

Bluewater is promoting legislation in California and Alaska to address cruise ship pollution.

House Bill 371, sponsored by Juneau Democratic Rep. Beth Kertula, requires cruise ships in Alaska waters to report to the state the quantities and characteristics of all pollution discharged into state waters, as well as wastes offloaded at Alaska ports.

chorage and Willow's Beverly Masek Cowderly said he wasn't convinced the system is broken. Masek said the bill seemed to duplicate work already begun by the state.

The measure has three more House committees - Labor and Commerce, Resources and Finance - to get through before it can go to the House floor. If the full House then moves the bill, it would go

A report accompanying the petition to the EPA explains that a typical cruise ship on a one-week voyage generates approximately eight tons of garbage, a million gallons of gray water, 200,000 gallons of sewage, 25,000 gallons of oil-contaminated water, and an undetermined amount of hazardous waste.

Gray water is wastewater from sinks, galleys, showers and laundries.

The cruise lines are working with federal, state and local organizations to resolve those concerns, according to North West CruiseShip Association President John Hansen. The Vancouver, B.C., group represents the interests of cruise lines operating in Alaska.

The industry has already signed a memorandum of understanding for certain environmental practices with the Florida Department of Environmental Protection, Hansen said.

His group is currently conferring with the Alaska Department of Environmental Conservation on such concerns as doughnut holes - areas within Alaska's Inside Passage

on the discharge of certain ships' waste - and the cessation of all ship discharging in Alaska ports.

"Discussions with DEC and the Coast Guard have been very productive so far," Hansen said.

The EPA issued notices of air pollution violations to cruise ships in Juneau harbor as recently as three weeks ago, said Juneau Assembly member Jim Powell. "What is required here is not only a national effort, but also a regional and local effort."

through the Senate committee process before Gov. Tony Knowles would have a chance to sign it.

With the legislative session more than halfway over, Kertula said she realizes time may be running out on the measure.

"I always have hope," she said. "It's an uphill battle. (But) we got a great first hearing, and we're under way."

Thursday, April 13, 2000

Continued from Page A-1

EPA checks cruises

Nationwide review targets 'gray water'

By PAULA DOBBYN
Daily News reporter

The U.S. Environmental Protection Agency has launched a national review of the cruise ship industry in response to a petition by 54 environmental organizations. The federal agency will look for loopholes and exemptions in existing laws and determine whether tighter rules are warranted to reduce cruise ship pollution.

The EPA offices in Alaska, California and Florida are spearheading the review because the three states host a large number of cruise ships. A so-called white paper will be developed by the end of the month, with public hearings this summer or fall, followed by a set of recommendations, according to a leaked EPA memo.

"Rapid response to this petition is necessary, both because of the importance of the issue, and because extensive state and regional efforts to address cruise line pollution are proceeding at a fast pace, and these must be engaged to provide an effective national response," the March 31 memo states.

Juneau EPA official Steve Torok confirmed the agency's intent.

"We'll be looking at every point in the petition," Torok said. The first teleconference is scheduled for Friday, he said.

In their request to the EPA, the environmental groups, headed by the San Francisco-based Bluewater Network, asked the agency to consider how cruise ships dispose of their sink and shower waste, known as "gray water," as well as sewage, hazardous wastes and oily bilge water. They also want the EPA to look at the quantity and content of the discharges and decide if new laws and rules are needed to manage the large volume of waste.

Citing cruise line reports available to the public, the environmental groups say the typical cruise ship generates about 1 million gallons of gray water on a weeklong

voyage, about 210,000 gallons of sewage, 25,000 gallons of oily bilge water and various amounts of photochemicals, dry cleaning fluids, used paints, batteries and expired chemicals.

The industry says it complies with or goes beyond pollution laws. Before discharge, sewage is treated and oil is removed from bilge water, while hazardous substances are properly disposed of on land, the industry says.

"Cruise ships are point sources of enormous volumes of waste, which can have significant impacts on the marine environment and public health. Coupled with the cruise industry's proven record of violating pollution laws, it is clear we need more rigorous oversight of all cruise ship waste stream discharges," wrote Bluewater's Kira Schmidt in her request to EPA.

A February report by the General Accounting Office found that from 1993 to 1998, cruise ships were involved in 87 confirmed cases of illegal discharges of oil, garbage and hazardous wastes into U.S. waters. In Alaska, Royal Caribbean Cruise Line Ltd. and Holland America Line Westours Inc., were convicted of illegally polluting the Inside Passage. Royal Caribbean was fined \$6.5 million. Holland America paid \$1 million in fines and \$1 million in restitution.

Under existing laws, the ships can discharge unlimited amounts of gray water anywhere. Raw sewage can be legally dumped beyond three miles of shore. Treated sewage can be pumped out while the ship is tied up at port.

The cruise lines say they don't discharge unless they're under way and they never dump untreated waste. In a response to the Bluewater petition, the International Council of Cruise Lines accused the environmentalists of mischaracterizing the pollution situation and of failing to understand how the ships dispose of waste.

"Sensationalism does not achieve sound public policy, nor does it motivate others to respond positively," said Michael Crye, vice president of the cruise lines council. "We are concerned about the cleanliness of the ocean environment and are committed to full compliance with environmental laws. In fact, we are on the cutting edge of the development of new environmental technology."

EPA: 6 lines broke laws

13 cruise ships cited for pollution

By CATHY BROWN
THE JUNEAU EMPIRE

Cruise ships violated air quality standards on 14 separate days in Juneau last summer, the U.S. Environmental Protection Agency said. Violations also occurred in Glacier Bay National Park and in Seward, the agency said.

The EPA issued notices of violation Tuesday to six companies for air pollution coming from 13 ships in Alaska, said Don Dossett, an EPA compliance officer in Seattle.

The notices are a first step in a process that could lead to a maxi-

mum fine of \$27,500 per ship per day and compliance orders requiring certain actions to be taken.

But first the companies will have a chance to meet with the EPA to go over the facts and bring forward any information they have, Dossett said.

Notices of violation were issued to Holland America Line-Westours, Princess Cruises, Celebrity Cruises, Norwegian Cruise Lines, Carnival Cruise Lines and World Explorer Cruises.

Erik Elvejord, a spokesman for Holland America Line-Westours,

Please see EPA, Page 8

Empire 5/1/77

Some in the industry objected that EPA was pursuing the action at a time when the cruise lines are working with the state Department of Environmental Conservation, the EPA, the U.S. Coast Guard and community members to improve their environmental practices.

"It is unfortunate that EPA's press release did not recognize that the companies have put a great deal of effort into this issue and they are presently working with EPA and the state to solve the problem," said Nancy Wheatley, senior vice president for safety and environment for Royal Caribbean Cruises Ltd. The company is the parent company of Celebrity Cruises and Royal Caribbean International.

"We're kind of surprised that, given the process we're going through now ... that this came along to blind-side us," said Ron Valentine, vice president of operations at World Explorer Cruises in San Francisco. "We're not sure why this is happening now, given the good faith efforts we're engaged in."

Dossett said he didn't know what effect the EPA action would have on that process. But he said, "It's two separate actions. What we're doing here is addressing past violations." The work group is to address future compliance, he said.

Continued from Page 1

said the company is pulling its records and plans to talk with the EPA.

"I think we feel they weren't violations, that the margin of error on smoke-reading is such that we were in the guidelines," he said. "If there's a problem, we certainly want to address it."

The notices allege the companies exceeded state opacity standards for air emissions, Dossett said. The standard is a way of measuring pollution by observing what can be seen through the smoke coming out of the stack.

More visibility means less pollution. "It's an indicator of more complete combustion of the fuel," Dossett said.

The companies also failed to report those emissions violations to the state, the EPA said.

Reactions from cruise lines were varied, but many said they aren't sure EPA's readings are correct, and they will discuss that with the agency. They said they have high environmental standards, and some intend to improve on those.

And some companies said they are surprised EPA took this action because they are in the process of working cooperatively with regulatory agencies to address environmental problems associated with the industry in Alaska.

"The readings that the EPA is using as the basis for their notices of violation are a mere snapshot in time and are not indicative of normal operation," said Jennifer de la Cruz, a spokeswoman for Carnival Cruise Lines.

She said the company recognizes the importance of air emission standards and already takes steps to control its emissions. In addition, this summer the company will install a continuous air opacity monitor and will train some staff in the EPA method for gauging emission levels.

Princess Cruises will request a conference with EPA to discuss the matter, which it "takes very seriously," the company said in a statement. Princess is working with regulators as well as with its technical managers to improve systems to minimize environmental impact, the company said.

EPA News Release

00-13

February 29, 2000

Contact:

Don Dcssett
206/553-8257

John Pavitt
907/271-3688

CRUISE LINES VIOLATE AIR STANDARDS, EARN EPA REPRIMAND

The EPA today issued Notices of Violation (NOVs) to six companies operating large cruise ships that fouled the air in Juneau, Seward and Glacier Bay last summer. The 13 ships were monitored as they toured southeast Alaska, at times emitting smoke that significantly exceeded state and federal limits for visible emissions.

Responding to dozens of citizen complaints and media reports of large volumes of smoke billowing from the stacks of cruise ships, EPA investigators found numerous violations of the state's Marine Vessel Visible Emission Standards which govern the amount and duration of particulate matter discharges into the air. To assist the state in enforcing its smoke limits within Glacier Bay National Park, EPA investigators also worked with park rangers to monitor smoke emitted from ships visiting the area.

The NOVs were issued to the following companies:

- Holland America Line-Westours, Inc. (operating the Nieuw Amsterdam, Statendam, Veendam, Westerdam ships);
- Princess Cruises, Inc. (Dawn Princess, Sea Princess, Sun Princess);
- Celebrity Cruises, Inc. (Galaxy, Mercury);
- Norwegian Cruise Lines, Inc. (Dynasty, Wind);
- Carnival Cruise Lines, Inc. (Jubilee); and
- World Explorer Cruises, Inc. (Universe Explorer)

-more-

ANCH. Daily News 7.24.94

Royal flush -- Tour company fouls sea - and its name

By Daily News editorial staff

When Gov. Tony Knowles says Alaska is open for business, this isn't what he has in mind.

Ships of Royal Caribbean Cruises Ltd. dumped oily bilge water and other toxic chemicals at sea during Alaska cruises in 1994 and 1995. This wasn't an isolated incident, as federal prosecutors spelled out in announcing the plea bargain by which the world's second largest cruise line will pay \$18 million in criminal fines and restitution. Its pollution felonies ranged from Puerto Rico and the Virgin Island to the Inside Passage.

Royal Caribbean will pay \$6.5 million in fines and restitution for its Alaska violations.

Company officials blamed wayward employees and tried hard to escape responsibility for the dumping, contesting U.S. jurisdiction and only grudgingly cooperating with prosecutors when the extent and seriousness of the violations became too clear to deny and when they ran out of options.

It makes an ugly sea story. Crew members dumped oily wastes at night to avoid witnesses. Record books were routinely cooked. Prosecutors said engineers won bonuses for cutting expenses for pollution control.

Royal Caribbean also hired two former U.S. attorneys general, Elliott Richardson and Benjamin Civiletti, to argue its immunity from prosecution based on the Liberian and Norwegian flags its ships flew.

These were not the works of an outfit trying to steer a straight course.

Prosecutors said the line saved tens of thousands of dollars with its dumping. Bad business. Now it's going to pay \$18 million. So Royal Caribbean lost good money and its good name.

Cruise ships are a vital part of Alaska's tourist trade. But they've got no business fouling Alaska waters in any amount. When the governor says Alaska is open for business, Alaskans take it for granted he means good, honest business that obeys the law and respects the land and sea that provides a rich living.

Any other kind of business has no business at all here.

The fines and the disgrace that goes with them should make it clear to all hands that environmental protection is serious business, and that "Save the Waves" buttons are no substitute for rigorous anti-pollution measures and company leaders that demand them.

Royal Caribbean International president Jack Williams said the company is "profoundly sorry" for what its employees did several years ago. Mr. Williams can lead his company's passage back to a good reputation and a continued warm welcome in Alaska with a fierce enforcement of environmental standards. The world's second-largest cruise line should take care that the water in its wake is as clean as the linen on its tables.

Royal Caribbean Reports Record Results in 1999

MIAMI – (January 25, 2000) – Royal Caribbean Cruises Ltd. (NYSE, OSE: RCL) announced today a 16% increase in net income to \$383.9 million in 1999, up from \$330.8 million in 1998. Earnings per share was \$2.06, or 13% higher than the previous year. Since both years experienced non-recurring items, comparable EPS was \$2.15 in 1999 versus \$1.93 in 1998.

Revenues were \$2.5 billion, as compared to \$2.6 billion in 1998. The slight decline in revenues was due primarily to a 3% decrease in capacity in 1999. This decrease was the result of the sale of *Song of America* and service outages in the first half of the year.

On a comparable basis, earnings for the fourth quarter of 1999 increased to \$.21 per share compared to \$.17 per share in 1998. Reported net income for the fourth quarter of 1999 was \$38.3 million or \$.19 per share, which includes a \$3.3 million non-recurring item. Reported net income for the fourth quarter of 1998 was \$23.4 million or \$0.12 per share, which includes a \$9 million non-recurring item. Revenues for the fourth quarter of 1999 were \$584.0 million, up from \$575.1 million in 1998.

"We are pleased with our earnings growth in 1999, especially in a year of reduced capacity," said Richard D. Fain, chairman and chief executive officer. "Continued focus on yield management and cost control have proven effective, enabling us to report record earnings once again. We are particularly pleased with the introduction of *Voyager of the Seas*. We had always anticipated the ship would be a success, and are very happy with the positive press she has received. We look forward to continuing our tradition of product innovation with the delivery of Celebrity's *Millennium* in June of this year."

Royal Caribbean Cruises Ltd. is a global cruise company operating two cruise brands, Royal Caribbean International and Celebrity Cruises. The brands' combined fleet currently consists of 17 vessels; 10 additional vessels are on order for delivery through 2004.

Certain statements in this news release are forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include general

From **Paradise**

Anchorage Daily News

Wednesday, March 8, 2000

Inside Alaska Business

Tourism numbers in

The tourism growth rate continued to slow last year, as just over 1.4 million people visited Alaska from October 1998 through last September, according to Ginny Fay, state tourism director. That's a 3 percent increase from a year before, compared with a 4 percent growth rate in 1998, 5 percent in 1997 and 10 percent in 1996, she said. Last year, 85 percent of the visitors came from May through September. The number of fall/winter visitors increased 3 percent, she said. Forty-seven percent of visitors arrived by airline from another U.S. city, and 38 percent by cruise ship last summer, she said. Throughout the year, 14 percent of the trips were for business only, but during the fall and winter business trips accounted for half of the visits, she said. Overall, business-only travel is increasing while visits for both business and pleasure have fallen off. The growth of tourism was driven last year by a 6 percent increase in cruise-ship passengers, Fay said at the 2000 Alaska Winter Tourism Marketing Conference in Anchorage. The state plans eventually to post two reports on last year's tourist traffic at www.dced.state.ak.us/tourism/research.htm.

NANA profits decrease

NANA Regional Corp. reported profits of \$5.2 million for the 12 months ended Sept. 30, a 2 percent decrease from a year earlier. Revenue totaled \$135 million, up 107 percent, for the Kotzebue-based regional Native corporation. The strongest moneymaking units of NANA were its investment portfolio, hotel properties, hotel management services, engineering arm, Red Dog zinc mine ownership and profit sharing received from resource-based regional Native corporations, according to the company's annual report. The company's dividend payout for the year totaled \$3.3 million, 5 percent more than a year earlier.

Insurance agencies combine

Devery Prince Agency Inc., an Anchorage-based Allstate Insurance agency, has bought the Ken Merritt Agency effective March 1, Prince said Tuesday. Both agencies shared the same location at 505 W. Northern Lights Blvd., Suite 219, since July, he said. No changes in staffing, hours, products or services should occur, he said.

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The New York Times 3Jan99

Gaps in Sea Laws Shield Pollution by Cruise Lines

Douglas Frantz

Shortly after 10 A.M. on Oct. 25, 1994, radar and infrared sensors aboard a Coast Guard jet over the Atlantic off Puerto Rico detected a possible oil discharge. As the aircraft swept low, its crew saw a long oil slick trailing a ship entering the San Juan harbor.

The vessel was then the largest cruise ship in the world, Royal Caribbean's Sovereign of the Seas, a floating resort the length of three football fields. When Coast Guard inspectors boarded the ship in port, its officers denied discharging any oil.

Suspicious, the Coast Guard and Justice Department opened what would grow into a four-year inquiry leading to the discovery of a fleet-wide conspiracy within Royal Caribbean Cruises Ltd. to save millions of dollars by dumping oily waste into the ocean. Last June the cruise line pleaded guilty to conspiracy and obstruction of justice, admitted that its ships had rigged pipes to bypass anti-pollution equipment, agreed to pay a record \$9 million in fines and promised the dumping would never happen again.

Astonishingly, the next month it did. The Nordic Empress, another Royal Caribbean ship, was discovered discharging oily waste and creating false records to cover it up. Moreover, the new dumping incident occurred even though the company knew it remained under Federal investigation for other discharge incidents.

An examination of the criminal investigation, plus new details about the latest incident, shows how difficult it is for authorities to police the booming cruise industry as it launches ever larger ships, and how determined the industry is to make itself exempt from American regulation.

The review offers strong evidence that the dumping of oil and other wastes by cruise ships, which can create lasting pollution problems in oceans and coastal areas, is more common than previously known. And it reveals an influential industry that has assembled an international lobby force to plead its case. Royal Caribbean's included two former United States Attorneys General, Louis L. Richardson and Benjamin R. Civiletti.

In defending itself, Royal Caribbean, a Liberian corporation with its headquarters in Miami, made what the Justice Department described as an unprecedented claim: that a private company doing business in the United States was immune from criminal prosecution because its ships fly foreign flags.

All major cruise ship owners -- including Disney, which launched its first ship, the 2,200-passenger Magic, last summer -- sail their ships under foreign flags. By registering with so-called flag countries in exchange for substantial fees, the owners avoid American corporate taxes and can pay lower wages to foreign crews. Financial documents show that Royal Caribbean saves approximately \$30 million a year in United States taxes by registering its ships in Norway and Liberia.

Critics say the savings come at the price of muddled jurisdiction and lax enforcement by the flag

out oil so the water can be discharged and the oil stored for disposal in port. Each time the separator is operated, the event must be noted in the ship's oil record book. The Coast Guard relies on the books to monitor compliance with pollution laws.

The oil record book of the *Sovereign of the Seas* contained no record of a discharge. Later, a ship's engineer testified before a Federal grand jury that there had been none. The officers of the *Nordic Empress* had made the same claim in 1993, supported by their oil record book.

It took several months, but Coast Guard investigators eventually discovered similar bypass systems on the *Nordic Empress* and other Royal Caribbean ships. They began to doubt the authenticity of the oil logs.

Confronted by the evidence, witnesses changed their stories. They testified that Royal Caribbean ships regularly bypassed pollution devices and dumped oily waste overboard, usually at night to avoid detection. An engineer from one ship, the *Song of America*, testified that the oil-water separator was operated so infrequently that it did not work when he did try to use it. They also admitted that the oil record books were falsified so routinely that they were known among many engineers as *Eventyrbok*, which means fairy tale book in Norwegian.

As for the disappearing pipes on the *Sovereign of the Seas*, engineers said they had been ordered to cut them up on the voyage from San Juan to Miami and drop them in a trash bin, according to court records.

Oil-water separators are notoriously troublesome to operate. But company engineers testified that the bypass systems, which had been in operation on some ships since 1990, were partly the result of the company's bonus incentives. Membranes for the separator cost as much as \$80,000 a year per ship and disposing of waste oil in port can cost \$300,000 a year. By saving this money, a ship's officers could receive bigger year-end bonuses for staying under budget.

The savings was the Government's strongest evidence that senior management may have known of the conspiracy, said Government officials involved in the case.

But investigators were stymied in following the trail because crucial witnesses, all foreign employees of Royal Caribbean, had left the company and either returned home or taken jobs with other cruise lines outside the United States, the officials said. No senior company officials were charged.

The Defense Cruise Line Throws Big Guns Into Battle

As evidence mounted, Royal Caribbean's lawyers tried to reach a deal. People involved in the negotiations said that in the fall of 1996 the company offered to plead guilty to some charges and pay a substantial fine. But the department rejected the offer and within weeks prosecutors told company lawyers to expect a 35-count indictment.

Mr. Civiletti, who was Attorney General under President Jimmy Carter, and two of his law partners, Judson W. Starr and Joseph G. Block, both former Justice Department environmental chiefs, had tried to negotiate the plea bargain. Other former Government officials working for the company had lobbied the State Department and Pentagon in an effort to persuade the Justice Department not to file charges.

The mission of the lobbying and legal arguments was not to refute the accusations, which would prove irrefutable, but to dispute the authority of the United States to bring charges. The former officials argued

The Nordic Empress had been in international waters when it was discovered discharging oil in 1993, so in July of that year the matter was referred to Liberia because the ship flew a Liberian flag. Liberia accepted the company's claims that no dumping occurred and asked the Coast Guard to expunge the incident from its records, according to Liberian records.

Even after Royal Caribbean admitted lying about the Nordic Empress discharge last June, Liberia decided no action was necessary. The investigation was completed and closed in 1994, said David Crede, chief of investigations for Liberian Services Inc., a private company in Reston, Va., that is Liberia's agent for vessels flying its flag. In the case of the Sovereign of the Seas, the Norwegian Embassy said its officials had looked into the case and decided that no action was warranted. *The Outcome After Legal Setbacks, A Plea of Guilty*

The Nordic Empress had discharged its waste in international waters, but the ship had presented the Coast Guard in Miami with an oil record book that omitted the discharge. So, on Feb. 19, 1998, Royal Caribbean was indicted in Miami, not for dumping but on a single count of making a false statement to the Coast Guard.

On April 22 and 23, a pivotal hearing took place in Federal District Court in Miami in which the cruise line asked Judge Donald M. Middlebrooks to dismiss the charges.

The Federal judge in San Juan handling the Sovereign of the Seas case, Juan M. Perez-Gimenez, had already rejected the company's claim that the United States lacked jurisdiction and had ordered the case to trial in June.

At the Miami hearing, Mr. Civiletti argued that the United States had overreached its authority. He said that Liberia had jurisdiction and that that country had determined there was insufficient evidence of a crime. He also produced a surprise diplomatic note from the Liberian Embassy in Washington to the State Department asking that the case be dismissed.

Mr. Udell countered that Royal Caribbean's false statement to the Coast Guard, plus its extensive presence here, subjected the company to American law. Although its ships fly various flags of convenience, he said, "Royal Caribbean is as much a part of Miami as the Miami Dolphins."

The company called Mr. Richardson as an expert witness, because he had been the chief American negotiator at the United Nations conference that led to the Law of the Sea treaty. He testified that only Liberia could prosecute the discharge, and warned that the case would undermine the navigational freedom established by the United Nations convention.

But Mr. Richardson seemed less certain when the prosecutor, Thomas Watts-Fitzgerald, asked whether his view would change if the ship had produced a record required by the Coast Guard that contained a misrepresentation. It might well, Mr. Richardson replied.

On May 12, Judge Middlebrooks rejected the motion to dismiss, ruling that the United States had authority to press charges because of the false statement to the Coast Guard.

Losing on the jurisdiction issue and faced with indisputable evidence, Royal Caribbean pleaded guilty on June 3 in both cases and agreed to pay \$9 million in fines. The Government called the violations so pervasive and longstanding that the criminal conduct amounted to a routine business practice.

Unlike most plea bargains, this one did not end Royal Caribbean's criminal liability. The company refused

Subject: FW: New York Times press article

Date: Mon, 13 Mar 2000 12:36:26 -0900

From: "Turner, Tom" <Tom_Turner@envircon.state.ak.us>

To: Bob Berto <bobb@ktn.net>, "Capt. Micheal Jones" <mikej@specialexpeditions.com>,

>

> The New York Times

> Tuesday, March 7, 2000

>

> Pollution by Cruise Ships Still a Problem, Report Says

> By DOUGLAS FRANTZ

>

> A report by Congressional investigators being released Tuesday
> shows that officials from the Coast Guard and the Justice
> Department are expressing concern about the effect on sensitive marine
> life of the millions of gallons of waste water being discharged legally by

> cruise ships at sea and in port.

>

> The concerns persist despite progress by ship owners in disposing of
> waste, the report says. The findings are part of an analysis of the
> industry's pollution record by the General Accounting Office, an
> investigative arm of Congress. The report was commissioned by
> Democratic Reps. John Dingell of Michigan and Henry Waxman of
> California.

>

> Most cruise ships using American ports fly foreign flags, and the report
> said there were 87 confirmed cases of foreign-registered cruise ships
> illegally discharging waste, oil, garbage and hazardous material from
> 1993 to 1998, the latest year for which figures are available. The number
> of cases declined to eight in 1997 and nine in 1998 from a high of 24 in
> 1994.

>

> The cruise companies were credited with helping to reduce the numbers
> through improved technology and a stronger commitment to eliminating
> illegal discharges, the report said. Public attention was focused on
> cruise
> ship pollution in 1998 and last year when Royal Caribbean Cruises
> International pleaded guilty to a fleetwide conspiracy to discharge waste
> illegally over several years.

>

> But federal officials cautioned that the decline might also be the result
> of
> fewer resources allocated by the Coast Guard, the primary regulatory
> agency, to detecting pollution. The decline has occurred as the number of
> cruise ships has grown dramatically.

>

> Miami has the highest concentration of cruise ships in the country, but
> the
> Coast Guard district there reduced the time spent monitoring
> environmental compliance by more than 50 percent from 1993 to 1998.

February 2000

MARINE POLLUTION

Progress Made to Reduce Marine Pollution by Cruise Ships, but Important Issues Remain



GAO

Accountability * Integrity * Reliability

Coast Guard officials expressed optimism that the steps the cruise ship industry has taken would address illegal discharges. The officials said the ISM Code, which all cruise ship companies were required to adopt as of July 1998, would likely result in a more systematic and comprehensive approach to stemming marine environmental pollution. In a larger sense, they said, they were not as concerned about pollution by the cruise ship industry as they were about pollution from other parts of the maritime industry, such as cargo ships and tankers. Similarly, a CMC official said that while CMC is critical of past illegal discharges by cruise ship companies, it has been supportive of the cruise ship industry's voluntary actions, including efforts to reduce the volume of plastics and other eventual waste items brought onboard and to recycle glass, aluminum, and other types of waste.

Justice officials said the cruise industry needed to create a culture of compliance. In their view, environmental compliance plans, such as those required under their plea agreements, can help create such a culture. They also said that to be effective, a plan must have the right elements, the company must take it seriously by encouraging compliance and the self-reporting of violations, and people must be designated who will ensure that the plan is implemented. Otherwise, the plan is just a document. They further noted that having an environmental compliance plan, agreeing to outside audits of the plan's implementation, and sharing the results are not only good business practices but can also be mitigating factors under Justice's sentencing guidelines. While having an environmental compliance plan, based on the ISM Code or other standards, does not guarantee the elimination of future marine pollution incidents, Justice officials said a company that adopts a plan—as a valued aspect of its corporate activity—is much less likely to see environmental problems recur.

Concerns About Emerging Issues and the Quality of Federal Oversight

Justice and CMC officials raised concerns about several issues that are emerging for certain types of wastes generated by cruise ships and need further attention. Justice also identified several areas that may warrant increased scrutiny by the Coast Guard and other cognizant agencies.

¹⁹Justice officials told us that their policy does not allow them to discuss ongoing investigations. As a result, we do not know whether any illegal discharge incidents by cruise ships are currently under investigation.

maintain. This suggests, according to Justice officials, that future inspections and investigations concerning this equipment should probe more thoroughly into its condition and evaluate the adequacy of equipment maintenance procedures.

- Falsifying oil record books. According to Justice officials, a number of cases suggest that owners or operators have routinely fabricated entries in their ship's oil record book to create the appearance of full compliance with MARPOL's discharge limitations. Justice officials believe that enhanced scrutiny of these logbooks on a periodic basis may be warranted and may also help encourage broader compliance.
- Recording shoreside disposal of garbage and sludge. Recent case experience has revealed that some ships were unable to produce any records documenting what should be periodic off-loadings and disposal of plastics and oily sludge from the ships to onshore disposal facilities, according to Justice officials. They believe that more frequent reviews and analysis of these records may identify violators and also deter other unlawful discharges.

Center for Marine Conservation's Concerns About Wastewater Discharges

A CMC official also expressed concern about gray water and black water discharges. "Black water" is the effluent wastewater from a vessel's onboard sewage system. CMC officials said that the annual discharge of millions of gallons of gray water and black water may harm ecologically sensitive areas, affecting such things as the long-term vitality of coral reefs.

Reports from recent third-party audits involving five ships of a large cruise ship company support the CMC official's concerns about black water. These reports noted that plastics from personal hygiene and other products (e.g., toothbrushes, plastic bottles, disposable razors, feminine hygiene products, etc.) were being flushed down toilets by passengers and entering the black water system. Once in the system, the plastics could be discharged into the sea with the black water because the ships' approved toilet vacuum system did not have screening devices to remove debris, according to the audit reports. The company involved is currently installing special filters to prevent plastics and other solid materials from being discharged into the sea, according to company officials. The audit reports also noted that untreated sewage was discharged at sea when onboard sewage systems were down for maintenance. Like gray water effluent, there is little, if any, oversight over the contents of black water before it is discharged into the ocean, according to Coast Guard officials. Coast Guard inspectors we talked with said they rarely have time during scheduled ship examinations to inspect sewage treatment equipment or filter systems to

Cruise Ship Companies Included in GAO's Review

Company name	Number of ships	Passenger capacity
Carnival Cruises	14	1,022-2,758
Celebrity Cruises ^a	5	1,660-2,262
Cunard ^b	5	116-1,750
Holland America Line ^c	8	1,214-1,494
International Shipping Partners ^d	16	490-2,044
Norwegian Cruise Line	11	800-2,032
Princess Cruises	10	640-2,600
Royal Caribbean International	11	1,961-2,772
Europa Cruises Corporation ^e	1	350
Tropicana Cruises ^f	1	500
La Cruise	1	450
Palm Beach Casino Line	1	800

^aThis company, while operating under the name of Celebrity Cruises, is owned by Royal Caribbean Cruises, Ltd.

^bThis company, while operating under the name of Cunard, is owned by Carnival Corporation.

^cThis company, while operating under the name of Holland America Line, is owned by Carnival Corporation.

^dInternational Shipping Partners (ISP) provides the day-to-day technical management and vessel operation for 16 cruise ships owned by 10 companies. Two of the companies ISP manages and operates ships for owned vessels that had illegal discharge violations cited by the Coast Guard between 1993-1998: Discovery Cruises and Premier Cruises. Premier Cruises merged with Dolphin Cruises, another company cited for illegal discharges, in 1993. ISP did not begin managing most of Premier's ships until 1997.

^eEuropa has four ships but currently operates only one; another is currently not operating, and the company has a contract with a third party to operate the other two ships.

^fTropicana is owned by Collins Companies, Greenville, SC. This ship is currently out of service.

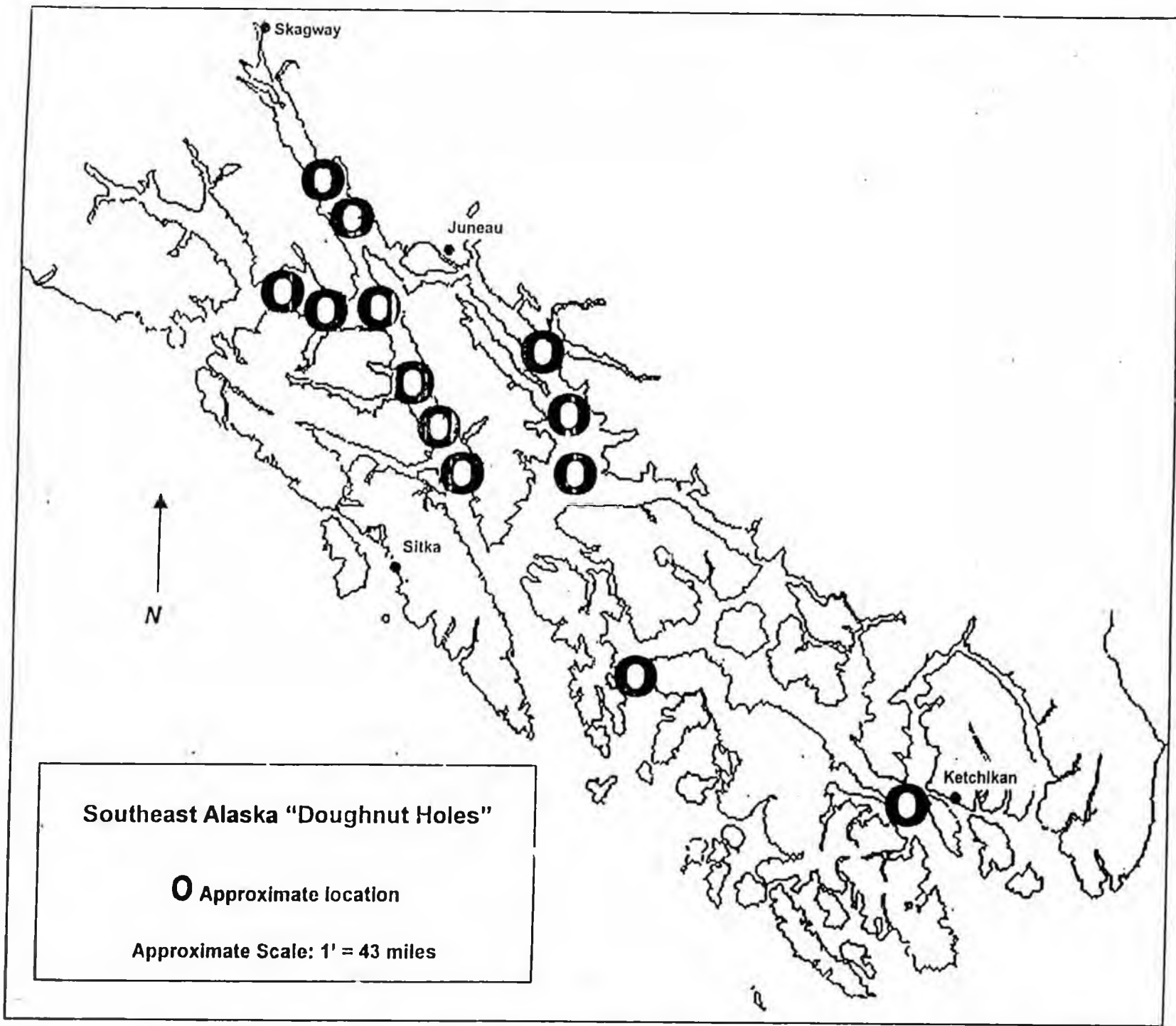


TABLE 1

SB 308: MONITORING AND REPORTING POLLUTANT RELEASE AND OFFLOADING IN ALASKA

Pollutant Category	[----- Reporting the Release of a Pollutant -----]						
	Date/Time	Location Lat/Long	Volume	Source	Intentional or Accidental	Identifiable EnvDamage	Efforts to Prevent Accidents
Hazardous Waste	x	x	x	x	x	x	x
Solid & Industrial Waste	x	x	x	x	x	x	x
Stack Emissions	Monthly	In Port					
Sewage	x	x	x	x	x	x	x
Graywater & other Wastewater	x	x	x	x	x	x	x
Medical Waste	x	x	x	x	x	x	x

[----- Additional Reporting Requirements -----]	
Hazardous Waste	Copy of manifest prepared under 42 USC 6921-6939 If offloaded w/out manifest: volume, source, location, destination of waste, reasons
Solid & Industrial Waste	If offloaded: weight, composition, location & destination Quantity processed onboard & explanation if processed waste released or offloaded
Stack Emissions	At least monthly measurements of visible emissions in port, or if equipped with continuous emission monitor the recordings while in AK waters
Sewage	Description of onboard treatment works, quantity processed onboard & explanation if treated waste released or offloaded
Graywater & other Wastewater	Location of offloading
Medical Waste	Description of any onboard treatment & manner/method of disposal if treatment or disposal in Alaska

NOTE: SB 308 requires monitoring of the various wastes in order to meet the above reporting obligations.

SB 308 Testimony
Gershon Cohen, Ph.D., Project Director
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Earth Island Institute
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Dear Mr. Chairman,

My name is Gershon Cohen. I have lived in S.E. Alaska for nearly 20 years. I am a National Project Director on water pollution issues for the Earth Island Institute.

SB 308 is one of several bills sponsored, at least in part, in response to the wake-up call of last summer. We were shocked to hear that members of the cruise ship industry had been routinely dumping toxic wastes into Alaskan waters. Hopefully those days are behind us. But we must now address what may in fact be a greater problem, the industry's legal discharge of polluted wastes.

For the past nine months cruise ship representatives have proclaimed their intent to adhere to all applicable pollution laws from now on. Unfortunately, this is not the commitment to environmental stewardship it would first appear. The key word is "applicable" – the cruise ship industry is well aware that it remains exempt from key U.S. laws and regulations that would otherwise govern their discharge of polluted wastestreams. It is because of these exemptions that coastal states such as Alaska must take on the responsibility of monitoring the release of ship wastes into public waters. Similar measures are being considered by the California legislature.

Despite the industry's abysmal past, huge gaps in the regulatory process will permit the industry's discharges to go essentially unmonitored again this season. SB 308 can play a critical role in closing the information gap.

We support the bill's three fundamental objectives: First, the requirement that a responsible party be identified for each ship at the beginning of every calendar year. Second, the requirement that ships submit a report monthly on the quantity, composition, and discharge location of their wastestreams and record visible air emissions while in port. And third, the required accounting of all hazardous and solid wastes offloaded for transport to licensed treatment facilities.

The need for this information is obvious. The average cruise ship in today's fleet is a floating city transporting more than 5,000 passengers and crew. According

to the Royal Caribbean Cruise Limited web site, a typical ship generates during every *one-week* voyage approximately:

- 1,000,000 gallons of graywater, (containing solvents, detergents, biocides, medical wastes and other miscellaneous pollutants poured down galley, cabin sink, and shower drains);
- 210,000 gallons of raw and treated sewage;
- 25,000 gallons of oily bilge water;
- 110 gallons of photo chemicals;
- 5 gallons of dry-cleaning waste (containing perchlorethylene);
- 10 gallons of used paints; and
- 5 gallons of expired chemicals.

There are many reasons for obtaining accurate information on cruise ship discharges, as would be required under SB 308.

- 1) At present, we have no idea if the wastes being released constitute a problem.
- 2) We don't know where they are discharging. According to International Law the ships can discharge their graywater tanks and treated sewage anywhere, as long as they are not tied to a dock.
- 3) This data could help identify which systems and ships are better at controlling pollution, which might in turn lead to the adoption of improved environmental management throughout the fleet.
- 4) The information would help establish a baseline from which we could make a variety of decisions in the future.

I believe that you will hear today that this legislation is unnecessary. Since December of 1999, numerous meetings have been held between DEC, the U.S. Coast Guard, EPA, members of the public, and the industry. One of the industry's goals for this effort has been the development of a self-monitoring plan that the industry hoped would preempt the need for a change in Alaska law or regulation. Last week the industry finally submitted its long awaited proposal. Despite repeated clear and specific requests from both the agencies and the public, the industry proposal "missed the boat". They offered to evaluate their wastestreams twice/ship during the entire summer for only sewage parameters, ignoring our concerns regarding the toxic components of the graywater. At the end of the last meeting the industry's

representative did verbally agree to a limited amount of graywater testing for toxics. But at this rate we will be lucky to have a monitoring protocol in place for the 2001 season, let alone for the 2000 season, which begins in the next few weeks.

Senate Bill 308 and House Bill 371 clearly and fairly initiate a process for getting the cruise ship industry to play by the same rules as everyone else who does business in Alaska. The oil, mining, seafood processing, and timber industries are all required to monitor and report the quantity and composition of their wastewater discharges to either a state or federal oversight agency every month.

These bills will not chase the cruise ships away. They simply recognize that both the industry and the public have needs. The industry needs Alaska as a destination. One would hope they recognize that without clean air and clean water it will no longer be the "Alaska" they sell to their clients. Alaskans need clean air and clean water, as well as an active economy. Fortunately, these needs are not incompatible.

Nevertheless, without even considering the industry's performance over the past decade, there remains no legitimate reason for allowing the industry to continue to circumvent the monitoring and reporting performed by all other industries operating in Alaska. Nothing less than our physical and economic health is at stake.

I respectfully urge you to pass this bill out of committee today, and to work expediently with your counterparts in the House to see that this bill becomes law before the end of this legislative session.

Thank you for this opportunity to comment.

Gershon Cohen, Ph.D.

SENATE FINANCE COMMITTEE

SIGN-IN

SB 308-MARINE PASSENGER VESSELS

NAME: _____ Subject/Bill No: _____
 Co./Dept./Title: _____ Phone: _____
 Address: _____ Zip: _____

Do you wish to testify? ___ Yes ___ No ___ Respond To Questions

NAME: JULI LUCKY Subject/Bill No: SB 308
 Co./Dept./Title: Staff, Sen Resources Phone: 465-4907
 Address: _____ Zip: _____

Do you wish to testify? Yes ^{- present bill} ___ No ___ Respond To Questions

NAME: Robert Reges Subject/Bill No: SB 308
 Co./Dept./Title: Citizen Member of Cruise Control Inc Phone: (907) 586-4958
 Address: 114 S Franklin St Juneau Zip: _____

Do you wish to testify? Yes ___ No Respond To Questions

NAME: JOE GELDHOF Subject/Bill No: AMENDMENT # 2 OF SB 308
 Co./Dept./Title: NAVY LEAGUE OF THE UNITED STATES Phone: 586-8193
 Address: 229 4th STREET JUNEAU AK Zip: 99801

Do you wish to testify? Yes No ___ Respond To Questions
 → ONLY RE AMENDMENT #2