

HB

522

SENATE COMMITTEE REPORT

DATE: 04/7/04

FURTHER:

DATE TURNED
IN TO OFFICE: 4-30-04

Resources Committee considered HOUSE BILL NO. 522 am

HB 522 SMALL CRUISE SHIP DISCHARGES

"An Act relating to discharges from small commercial passenger vessels; and providing for an effective date."

and recommends:

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

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

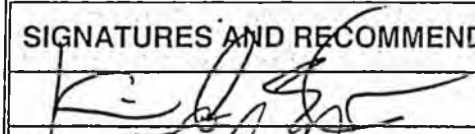
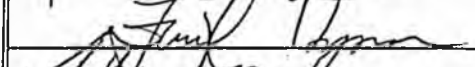
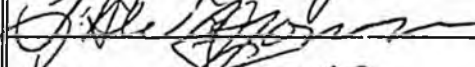
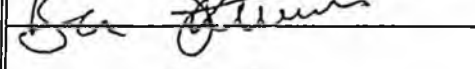
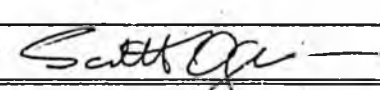
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DEC.	3/1/04			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
	✓			
	✓			
	✓			
	✓			
CHAIR: 	✓			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB361-EC-AWQ-03-31-04
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affecte: Environmental Conservation
Title Small Cruise Ship Discharges RDU Air and Water Quality
Component Water Quality
Sponsor Senate Resources
Requester Senate C&RA Committee Component No. 2062

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Commercial Passenger Environment)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill will not have a financial impact on the Commercial Passenger Vessel Environmental Compliance Program. The cost to administer the program remains unchanged.

Prepared by: Lynn J. Tomich Kent, Water Programs Manager
Division: Air and Water Quality
Approved by: Kurt Fredriksson, Deputy Commissioner
Agency: Environmental Conservation

Phone 907-465-5312
Date/Time 3/31/04 11:11 AM
Date 3/31/2004

ALASKA STATE LEGISLATURE

Representative Bruce Weyhrauch

HOUSE DISTRICT 4

ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

MEMORANDUM

DATE: April 8, 2004
TO: Senator Scott Ogan
Chair, Senate Resources Committee
FROM: Rep. Bruce Weyhrauch
SUBJECT: HB 522 – Small Cruise Ship Discharges

Attached to this memo is HB 522 and materials in support.

At your earliest opportunity, I request that this bill be scheduled for a hearing in the Resources committee. If you have any questions or need further information, I invite you to contact myself, or my aide, Linda Sylvester.

Thank you for your kind attention to this matter.

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
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STATE AFFAIRS COMMITTEE

HB 522

Small Cruise Ship Discharge

Sponsor Statement

In 2001, the Alaska Legislature enacted the Commercial Vessel Environmental Compliance Program via HB 260. This was a collaborative effort by the cruise ship industry, the Legislature, and the Department of Environmental Conservation that established stringent guidelines for black and grey wastewater disposal in Alaskan waters. Since passage of HB 260, most large cruise ships discharging into Alaskan waters have installed advanced wastewater treatment systems resulting in dramatically improved water quality samplings, according to a recent report authored by DEC.*

In addition to the large cruise vessels, HB 260 also required the small cruise vessels to comply with the same standards. Even though the smaller vessels contribute approximately 3% of the wastewater discharged in Alaskan waters in 2001, the assumption was made that environmental technologies developed by the large vessels could "filter down" and be applied to the smaller vessels. HB 260 gave the industry, including the small commercial vessels until January 1, 2004 to comply.

As it turned out, the technological advances route wasn't a simple fit for the smaller vessels and consequently, these vessels cannot feasibly comply with the Commercial Vessel Environmental Compliance Program. According to the Assessment Report, the small vessel's trouble spot are readings that exceed the Alaska Water Quality Standards (AWQS) while stationary. The discharge met the AWQS while underway due to the large dilution factor. As a consequence and in order for these vessels to continue plying Alaskan waters, an alternative regulatory scheme that focuses on minimizing discharge is required.

Recently, such an alternative plan has been devised. The Small Commercial Vessel Association and the DEC have reached an accord that both protects Alaska waters and enables the small cruise ship industry to continue operations in the state. The plan set out in HB 522 deals in terms of "Best Management Practices" or BMPs for small vessels that currently operate in Alaskan waters. HB 522 also stipulates that new vessels constructed after January 1, 2004 be engineered to comply with the Compliance Program if they are to be used in Alaskan waters. This is an agreeable solution that will work for Alaska's environmental and business communities.

*Assessment of Cruise Ship and Ferry Wastewater Impacts in Alaska
Alaska Department of Environmental Conservation
Commercial Passenger Vessel Environmental Compliance Program
January 23, 2004

Updated: 3/3/04
Contact: Linda Sylvester
465-4963



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Design Group**

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Seattle, WA 98107

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March 4, 2004

Ref: J04029-02L

Mr. Bryce Brockway
Cruise West
2401 4th Avenue, Suite 700
Seattle, WA 98121

Subject: Limitations on Modifying Small Commercial Passenger Vessels

References: a. Marine Safety Manual, COMDTINST M16000.9, United States Coast Guard,
24 Sept 1990

Dear Mr. Brockway,

I understand that you seek clarification as to when a vessel might require additional stability testing or re-licensing. Currently, the U.S. Coast Guard requires stability testing when a new vessel is constructed prior to issuing the certificate of inspection (COI) or license that allows the vessel to be used for carrying passengers. Only if changes are made to the vessel is re-testing of the stability required. Reference (a) contains the following language as to when a re-test is required:

Marine Safety Manual 6.D.4. Evaluation of Weight Changes to Lightship. During its service life a vessel may be modified without changing its buoyant hull form. A complete inclining is required unless the changes are minor or do not adversely impact the vessel's stability. Weight calculations are acceptable if the MSC determines they are accurate, or acceptable penalties in VCG are applied to the calculations. The nature of the weights changed is critical to the accuracy of calculations. Often, miscellaneous changes with a total weight greater than 2 percent of lightship displacement will necessitate a deadweight survey (or even a complete inclining) to verify calculations. Weight changes should be combined for the total change, when determining if a test is necessary, since the errors associated with weight additions and weight deletions are cumulative. If a deadweight survey proves the calculations to be inaccurate, a complete inclining may be necessary.

Please note that the 2 percent value refers to the total weight change, which is the sum of weights removed, weights relocated, and weights added. Vessels typically gain weight over time due to layers of paint, accumulated engine parts, additional stores, and minor changes to the equipment

or furnishings. This normal weight growth must be included in the total weight value. On most vessels, changes to the wastewater tankage and treatment system, combined with normal weight growth will almost certainly exceed 2% of the lightship displacement.

As noted in my previous letter, the vessel's COI is also based upon the admeasured volume of the vessel. If that volume is changed by lengthening the hull or adding sponsons to increase buoyancy then the gross tonnage must be re-measured and the stability must be re-tested. Once again, I caution that tonnage refers to volume in this case, not weight. This dates back to when vessels carried casks of wine, known as tuns, or tons, in their holds. In our modern measurements, one gross ton is equal to 100 cubic feet. If modifications to a vessel increase the admeasurement to over 100 gross tons then the vessel is no longer considered a small passenger vessel and must be re-licensed. Many of the small overnight passenger vessels have admeasurement values of 90 to 99 tons so there isn't much margin for change.

In closing, let me be clear that adding weight to a vessel can adversely impact the stability and have major consequences for an operator. As you know, the U.S. Coast Guard has strict requirements to ensure safe operation of passenger vessels. Most vessels have been designed to the limit of those requirements with little margin for change. A stability test can be the catalyst for expensive alterations to keep the stability in compliance with USCG requirements.

Sincerely,



EXPIRES 11/16/04

John W. Waterhouse, P.E.
President



Architectural & Engineering Services for the Marine Industry

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March 2, 2004

Ref: J04029-01L

Mr. Bryce Brockway
Cruise West
2401 4th Avenue, Suite 700
Seattle, WA 98121

Subject: Limitations on Modifying Small Commercial Passenger Vessels

References: a. Alaska House Bill 522, "An Act relating to discharges from small commercial passenger vessels; and providing for an effective date."

b. Assessment of Cruise Ship and Ferry Wastewater Impacts in Alaska, Alaska Department of Environmental Conservation, Juneau, Alaska, February 9, 2004.

Dear Mr. Brockway,

I have read the proposed House Bill 522 relating to small commercial passenger vessels (Reference a). As you know, I am a naval architect with extensive design experience in vessels such as cruise ships and ferries, including the Alaska Marine Highway System fleet, the Inter-Island Ferry Authority ferry, the Cruise West fleet, Lindblad Expeditions fleet, and Glacier Bay Tours and Cruises fleet. I am registered in Washington State as a professional engineer in the disciplines of naval architecture and marine engineering. Based on my professional opinion, the wastewater management systems on existing vessels cannot be readily changed to meet the Alaska Department of Environmental Conservation Standards for reasons outlined below. The combination of U.S. Coast Guard regulations, licensing requirement, and vessel construction practices makes the addition of new treatment equipment and holding tanks technically infeasible.

Regulatory environment - Small commercial passenger vessels that operate under the U.S. flag are regulated by the U.S. Coast Guard and carry a certificate of inspection showing compliance with all safety requirements. To qualify as a small passenger vessel they must displace less than 100 gross tons. Please note that gross tonnage is a measure of internal volume and not weight. Their design and construction are principally regulated under Subchapter K of Chapter 46 of the Code of Federal Regulations which applies to vessels that carry 50 or more passengers in overnight service or more than 150 passengers in day service. If changes are made to a vessel

that increase its admeasurement to more than 100 gross tons, the vessel is no longer considered a small passenger vessel by the U.S. Coast Guard and is subject to a different "license" or certification.

Wastewater Management – As detailed in Reference b, small cruise ships generally meet all wastewater discharge requirements while underway. During stationary discharge, "small ship effluent may not meet Alaska Water Quality Standards for free chlorine, fecal coliform, copper and zinc in receiving water." One potential solution would be to retain all graywater and blackwater while the vessels are stationary. However, per Table 24 of the reference, most of the small passenger vessels have inadequate tankage to hold all of the graywater and blackwater produced during a 12 hour period. Adding additional volume to the existing tankage and/or new treatment equipment is not simple and, depending on the vessel, may be impossible due to space and weight constraints.

Limited Space – As evidenced by the word "small," these vessels are very limited in space. Typically their machinery, tankage, storerooms, and crew quarters are all below the main deck. For many of the vessels there are also some passenger cabins below the main deck. Space is at a premium. Increasing the capacity of wastewater tanks below the main deck will likely result in some other space being made smaller. Adding tankage above the main deck is impractical since drain lines rely upon gravity to function. Space could be added to the vessel by lengthening the hull but that is expensive and likely increase the internal volume beyond the 100 Gross Ton admeasurement limit.

Weight Limits – Per Archimedes Principle, when weight is added to a vessel, the vessel must displace more water to compensate and hence sits lower in the water. This reduces the volume of hull remaining above the water, also known as the reserve buoyancy. Reserve buoyancy is what keeps an intact, undamaged vessel from foundering in storms at sea and is what keeps the vessel afloat after damage occurs due to a grounding or a collision. USCG stability regulations for both intact and damaged stability strictly govern the amount of reserve buoyancy. Adding weight in the form of additional tankage for waste water would require that an equal amount of weight would need to be removed. The only discretionary weights that could be removed are passengers, crew members, fuel, potable water, or provisions. All of these will have an economic impact on the operator.

Even if the vessel has sufficient reserve buoyancy to handle additional weight, the fact that the weight is a liquid can cause a loss of stability due to the "free surface effect." As the vessel heels to one side, liquid is free to move over to that side, causing additional heeling force, which is destabilizing. The stability letter issued to the vessel by the U.S. Coast Guard strictly limits the number of tanks that can be "slack" or contribute to the free surface effect. Compensating changes may need to be made to cancel any additional free surface effect. Such changes could be moving weights from high in the vessel to lower in the vessel, constructing tanks with a geometry that limits the free surface effect, or keeping other tanks either full or empty. The latter is extremely difficult to manage since liquid levels in fuel oil tanks and potable water tanks are constantly in flux. In general, small passenger vessels have tight stability limits and cannot tolerate weight changes.

Cruise West
March 2, 2004

Ref. J04029-01L

Page 3

The weight issues can be overcome by adding volume to the hull but this again can affect the admittance and vessel licensing.

If you desire more information regarding limits to altering a vessel, or wish to discuss a specific vessel, please let me know.

Sincerely,



EXPIRES 11/16/04

John W. Waterhouse, P.E.
President

Revised DRAFT

Compliance Cost Estimates

This document outlines the costs of full compliance with the DEC discharge standards scheduled to become effective January, 2004 for small cruise vessels. (sec.7, CCSHB 260)

This information was prepared for the Alaska Small Cruise Vessel Association (ASCVA). ASCVA is an informal association of Alaska small cruise vessel operators, consisting of Cruise West, New World Ship Management Co. LLC, and Lindblad Expeditions, Inc.

Cruise West:

Cruise West has six small vessels that will be subject to the ADEC discharge requirements: Spirit of Alaska, Spirit of Discovery, Spirit of '98, Spirit of Columbia, Spirit of Endeavor, and Spirit of Oceanus.

Equipment costs for six vessels: \$ 240,000.

Installation cost estimates for six vessels: \$ 360,000 to \$570,000. (\$60,000 to \$95,000 per vessel)

In the case of the Spirit of Columbia, Spirit of Alaska and Spirit of Endeavor, the vessels must be reconfigured to provide space for the new equipment resulting in loss of berths and revenue. Based on the 2004 itineraries, the loss of revenue will be \$ 791,000.

Total costs and revenue loss for 2004 is \$ 1.39 million to \$1.6 million.

Lindblad Expeditions:

Lindblad has two vessels that will be subject to the new requirements: Sea Bird, and Sea Lion.

Equipment and installation cost for two vessels: \$ 1.038 million (these treatment systems require vacuum toilets, additional holding tank capacity, stability stern extensions, and electrical and plumbing upgrades adding significant costs)

Loss of revenue from reduction in berths due to reconfiguration: \$ 1.915 (loss of three berth per ship)



Cruise West – An Alaskan Success

American-owned Cruise West is North America's leading small-ship cruise line – and a major Alaskan success story. Our roots in the state stretch back over 50 years. In 1946 our founder, Chuck West, started a travel agency in Fairbanks and air tours to the Arctic. These businesses became the original Westours. Over time, Chuck became known as "Mr. Alaska" for his role in founding Alaska's first hotel chain, motorcoach line, modern-day cruises, and many other aspects of Alaska tourism today.

Smaller is Better – Today's Cruise West began in 1973 with the philosophy that Alaskan visitors deserve to explore the Great Land in small numbers, while causing minimal impact on the land and on the communities we visit. Our long-standing promise to our guests is that they will enjoy an Alaska experience that is **Up-Close – Casual – Personal**.

Small Ships, Low Impact – Our seven ships range in capacity from just 70 to 114 guests. When we visit a community, our limited numbers do not overwhelm the local facilities or the local population.

Spirit of Alaska	78	Spirit of Discovery	84	Spirit of Oceanus	114	Spirit of Columbia	78
Spirit of Endeavour	102	Spirit of '98	96	Sheltered Seas	70		

Widely Distributed Visitation – We offer a wider choice of port calls than any other cruise line in Alaska. We actively seek to offer our guests experiences in fascinating, out-of-the-way communities that are reflective of the "real Alaska." We particularly like to work with small communities who seek sustainable levels of tourist visitation, without having an undue impact on their local way of life or port facilities.

Hyder	Metlakatla	Ketchikan	Kake
Wrangell	Petersburg	Sitka	Juneau
Gustavus	Elfin Cove	Pelican	Skagway
Haines	Cordova	Whittier	Homer
Anchorage	Kodiak	Dutch Harbor	St. Paul
Savoonga	Nome	Little Diomedea	

See Alaska with Alaskans – Many of our ship's crews, and virtually all of our land tour staff, are year-round Alaskans. On land, we employ 75 to 80 Alaskans in Ketchikan, Petersburg, Juneau, Anchorage, Denali Park and Fairbanks.

More Overnights on Land – Many of our cruises begin or end in Ketchikan, Juneau and Anchorage, with included overnight stays. This means local hotels and restaurants get more business, and cities earn applicable taxes. Juneau alone, for instance, is the turnaround port for five of our seven Alaska itineraries. Our guests occupy thousands of hotel rooms each season.

We Support Our Local Communities – In addition to our overnight stays in local communities, we reprovision in Anchorage, Ketchikan and Juneau, pay port charges, airport landing fees, and make all the other necessary expenditures that help keep Alaska running!

Take Only Photographs – Leave Only Our Wake Behind

LINDBLAD EXPEDITIONS ECONOMIC IMPACT

The following is a summary of what Lindblad Expeditions (LEX) will spend in Alaska in 2004:

1. Tours, transfers, entry fees, etc. To suppliers such as Sitka Tours, Princess in Juneau, various businesses and individuals in Sitka, Petersburg, and Juneau: \$270,000.
 2. Options sold onboard for activities such as flight seeing in Petersburg and Juneau and fishing in Sitka and Juneau: \$80,000.
 3. Docking, water, garbage removal, agency fees, laborers, miscellaneous wharfage fees, etc.: \$120,000.
 4. Bunkers: \$180,000.
 5. Provisions and other miscellaneous local purchases: \$50,000.
 6. Guest spending ashore during voyage: \$180,000.
 7. Guest independent travel in Alaska pre and post voyage: \$150,000.
 8. Land costs for pre-sold extension to Anchorage and Denali national Park: \$520,000.
 9. Tickets on Alaska Airlines: \$700,000. (even though this isn't a direct purchase in Alaska, there is indirect benefits as a result to employees of Alaska Airlines in Alaska and local support services)
Total excluding Alaska Airlines tickets: \$1,550,000.
Total including Alaska Airlines tickets: \$2,250,000.
 10. In addition, LEX spends about \$500,000 promoting Alaska, mostly through direct mail to consumers.
 - 16-page Alaska brochure mailed to approximately 510,000 households. *
 - Catalog of all LEX offerings , including 5 pages dedicated to Alaska mailed to approximately 890,000 households.*
- * Figures are for 2003. 2004 will be similar

CRUISE WEST ECONOMIC IMPACT

	<u>2003</u>	<u>2002</u>
Hotel costs.....	\$ 2,690,689	\$ 2,966,745
Land Tour and Included Shorex costs... ..	\$ 2,787,648	\$ 3,259,351
Optional Shorex and Alaska POS costs.....	\$ 1,144,532	\$ 1,176,992
Optional Air Costs.....	\$ 2,866,814	\$ 2,328,588
Marketing Costs.....	\$ 2,383,166	\$ 2,158,972
Fuel Costs.....	\$ 1,293,824	\$ 1,325,019
Alaska Payroll.....	\$ 1, 250,000	\$ 1,300,000
TOTAL ALASKA ECONOMIC IMPACT	\$ 14,416,682	\$ 14,515,667

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M/S Nantucket Clipper • M/S Yorktown Clipper • M/S Clipper Adventurer • M/S Clipper Odyssey

20 February 2004

The State Legislature of Alaska
Juneau, Alaska

Re: Economic Impact of the Operations of Clipper Cruise Line

Honorable Senators and Representatives:

A review of actual expenditures in Alaska for 2003 for the operations of the two small cruise ships operated by Clipper Cruise Line, the MV Yorktown Clipper and the MV Clipper Odyssey, reveals the following data:

▪ Fuel and lubricating oil purchases:	\$ 525,000
▪ Port Charges: (includes dockage, pilotage, stevedoring, trash removal, etc.)	\$ 614,000
▪ Provisions: (includes local purchases, freight & handling)	\$ 253,200
▪ Alaska Airlines tickets (includes passengers & crew)	\$ 425,000
▪ Ground Operations: (includes pre and post-cruise hotel nights, shore excursions, transfers, flight-seeing, etc.)	\$ 650,900
▪ Brochure Production : (includes all costs, printing, postage, etc . connected with promoting Alaska)	\$ 550,000
▪ Individual Cruise Passenger Expenditures Ashore: (2873 passengers in 2003 x \$350 per person)	\$1,005,600
Grand Total	<u>\$ 4,024,100</u>

Please feel free to contact me if I may provide any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Welsh". The signature is written in a cursive style and is positioned above the typed name.

Captain Gary B. Welsh
Vice President
Marine Operations
New World Ship Management



CRUISE LINE AGENCIES OF ALASKA

P.O. Box 8080 • 1249 Tongass Avenue Suite B, Ketchikan, AK 99901 • Ph. 907-225-0999 • FX. 907-247-6042
E-mail: Ketchikan@claalaska.com

Tuesday, March 30, 2004

Honorable Representative Bill Williams
State Capitol, Room 515
Juneau, AK 99801-1182

RE: Small cruise vessel legislation SB 361/HB 522

Dear Representative Williams:

This is to ask your support for Senate Bill 361 and House Bill 522. These bills, when combined, will allow small-cruise vessels to continue to serve Alaska. They are an important part of our local and statewide economy.

SB 361 and HB 522 would allow the older small-ships to use best management practices to minimize stationary wastewater discharges. This alternative to complete retrofitting of the vessel is responsible and environmentally sound.

We urge you to support SB 361 and HB 255. This is vital to maintaining a strong visitor industry and responsibly managing the environment in Alaska. Your time and attention to this matter is greatly appreciated.

Sincerely,

Bob Berto
President
Cruise Line Agencies of Alaska



AWRTA

Dear Representatives and Senators,

RE: Small cruise vessel legislation, HB 522 & SB 361

The Alaska Wilderness Recreation and Tourism Association (AWRTA) strongly supports both HB 522 and SB 361, bills relating to discharges from small commercial passenger vessels. AWRTA is a membership-driven trade association formed to be a collective voice for wilderness-dependent businesses. We advocate for the sustainability of Alaska's natural and cultural resources, responsible tourism and tourism planning for communities.

While we enthusiastically supported the Commercial Vessel Environmental Compliance Program via HB 260 passed in 2001, we recognize that the intent of this Program was based on the assumption that small cruise ship vessels could conform to the environmental technology developed by large-ship cruise vessels. In order for small ship cruise companies like Lindblad Expeditions, Alaska Sightseeing/Cruise West, and Glacier Bay Cruises to continue to operate in Alaskan waters, an alternative regulatory scheme that focuses on minimizing these ships discharges is required. HB 522 and SB 361 offer reasonable alternative plans that will allow these small ship companies to continue operation beyond July 2004.

Small ship cruise lines are highly valued partner in Alaska's tourism economy, and many AWRTA members depend small ship passengers for their livelihood. Small ship cruise vessels with 150 passengers or less operate with distinctly different philosophies than foreign-flagged large multi-national cruise ships. Small ships visit Alaskan communities where passengers spending power is directed to small businesses owned and operated by Alaskans. When passengers disembark these ships, many travel to other regions of Alaska with AWRTA member businesses that offer land based lodges, tours, and activities, thereby diversifying the economic reach to other Alaskan business sectors. Small ship cruise lines are flagged in the US, adhere to both Alaska and US labor laws, pay income taxes as well as the real costs associated with doing business in Alaska.

We support HB 522 and SB 361, and believe that these bills offer solid solutions utilizing best management practices to minimize stationary wastewater discharges.

Thank you for passing this important legislation.

Best Regards,

Catherine McDermott
Board of Directors
Alaska Wilderness Recreation and Tourism Association

Subject: Small Cruise Ship and Ferry Compliance on Wastewater

Date: Wed, 24 Mar 2004 23:52:36 -0900

From: "John Pearson" <jpearson@ptialaska.net>

To: "Georgianna Lincoln" <Senator_Georgianna_Lincoln@legis.state.ak.us>, "Senator Kim Elton" <Senator_Kim_Elton@legis.state.ak.us>, "Senator Bert Stedman" <Senator_Bert_Stedman@legis.state.ak.us>, "Representative Albert Kookesh" <Representative_Albert_Kookesh@legis.state.ak.us>, "Representative Peggy Wilson" <Representative_Peggy_Wilson@legis.state.ak.us>, "Representative Bill Williams" <Representative_Bill_Williams@legis.state.ak.us>, "Representative Carl Morgan" <Representative_Carl_Morgan@legis.state.ak.us>

CC: "Gary Benedict" <sealaskainn@yahoo.com>, "Dick West" <DickW@cruisewest.com>, "Larry Johansen" <cwjnu@gci.net>, "Len Laurance" <l.laurance@worldnet.att.net>, "Rob Allen" <rallen@allenmarine.com>, "Hugh Bevan" <hugh@cityofsitka.com>, "S Thomas Eriggs" <tom_briggs@dot.state.ak.us>

Ref: HB522 and SB361

Unfortunately, we ran out of time yesterday afternoon at the Southeast Conference meeting, for me to request your support for the above referenced legislation. The two bills refer to the issue of wastewater discharge laws related to small cruise ships and the Alaska ferry system.

Recently the Juneau Empire gave the public a wrong image in their publication, with the impression that the small cruise vessels and the ferry system were getting exemptions to the law in dealing with the wastewater issue.

These Juneau Empire statements were totally inaccurate and misleading!

The 2001 Cruise Ship Legislation (HB 260) provides a very clear policy and intent statement addressing the requirements of small vessels operators as well as the ferries on the subject. Today, there are no exemptions, and the small vessels operators should be viewed as being good stewards of our waters.

As HB522 and SB361 come before your respective bodies, it is essential that our regional legislators stick together in their position and support for the legislation.

Today small vessel operators such as Cruise West and Lindblad Expeditions are in fact, going the extra mile in their concerns for the Alaska environment. In addition, they are an important economic factor in our local communities, especially our rural communities.

We request your full collective support as Southeast Legislators on the legislation and best efforts to correct the Juneau Empire impressions of this special and unique form of tourism.

John Pearson
Community Development Specialist
Hyder Board of Trade (Chamber)

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Bill sets reasonable ship standards

The House and Senate will shortly take up House Bill 522. This piece of legislation is designed to craft a plan by which small ships can continue to comply with Alaska's high wastewater standards beyond the immediate future. HB 522 is a realization that the cookie cutter that was created for the large ships in the original bill doesn't fit for the small ship and seeks to create a reasonable path to small ship compliance. Contrary to common misconceptions, the provisions in HB 522 do not exempt small ships from wastewater standards. They will be required to meet all benchmarks set under the original legislation. Why then is HB 522 needed?

First realize that the large ships comprised 97 percent of the total wastewater being emitted. The emerging technologies being developed to meet these standards were designed to be installed on these larger and much newer vessels. The market for this technology designed to fit into the dozen smaller (and in some cases 20 year old vessels) does not currently exist. The larger vessels have solved most of their issues by simply adding

Letters to the editor

massive holding tanks that a 140-foot vessel cannot accommodate. As these technologies develop it will be fully expected that the small ships will deploy them, and all small ships currently being designed will be required to build to meet the standards as written.

So what's being done with these older boats? Second, realize that the American built small vessels do in fact meet all federal standards and that all discharges are being treated. It is a fact that the only time that the small ships do not meet the stringency of the Alaska standards is when they are stationary for a period of longer than four to six hours. While the vessel is underway at a speed of at least six knots and off shore one mile small ships far exceed state standards. While the vessel is stationary small ship operators are obligated to provide a best management plan of action, approved by ADEC, to minimize this impact. These include reducing water usage while in port, utilizing shore facilities, and minimizing stationary activity. For example in Juneau, Cruise West guest leave the vessel immediately upon arrival and proceed to check into a local hotel thus substantially reducing the need to discharge.

The small ships, and their unique circumstances, were caught up in the wake of the original law. HB 522 allows us the chance to achieve the standards set for us in a reasonable manner. Your understanding and support is appreciated.

Larry Johansen
Southeast Regional Manager
Cruise West
Juneau

STATE OF ALASKA

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
DIRECTOR'S OFFICE

cc: Sen. Resources.

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April 5, 2004

The Honorable Burt Stedman, Chairman
Senate Community and Regional Affairs Committee
Alaska State Senate
State Capitol, Room 30
Juneau, Alaska 99801

Dear Senator Stedman:

This letter responds to questions posed during the March 31 Senate Community and Regional Affairs Committee hearing on SB 361, relating to discharges from small commercial passenger vessels.

Q. What is the department's position on the concept of limiting the new "alternative terms and conditions" option (AS 46.03.462(e)) to vessels that are currently in service in Alaska?

A. As a general rule, the department does not believe that environmental law should rely on limiting competition or access to markets as a means to achieve compliance with environmental standards. In this case, the department intends to regulate all small vessels such that all discharges result in compliance with state water quality standards. There is no need to restrict the new provision to vessels currently operating in Alaska waters in order to achieve compliance with environmental standards.

Q. What is the department's position on an amendment replacing the standard for approving a Best Management Plan from one of "protecting the environment" to one of "safeguarding public health and protecting important wildlife habitat" in AS 46.03.462(e).

A. DEC prefers "protecting the environment." We see no reason to narrow the standard to public health and wildlife habitat concerns. The department's general authorities include protecting water quality for all uses including public health and aquatic life as well as other uses such as recreational and commercial/industrial uses.

Q. AS 46.03.462(e) prohibits requiring an owner or operator to retrofit a vessel solely for the purpose of waste treatment if the retrofitting requires additional stability testing or relicensing by the U.S. Coast Guard. Does this limit DEC's ability to require new technologies as part of the Best Management Practices plan?

A. Yes, but the department believes that the small vessels can comply with water quality standards by changing practices – such as not discharging wastewater while at anchor or at port. If new wastewater treatment technologies for smaller vessels become available, we expect the industry will weigh the costs and advantages of installing the new technology against those of operating under a Best Management Practices plan. Either way, water quality will have to be protected.

Q. Clarify the various ways that a small vessel may comply with the Commercial Passenger Vessel Environmental Compliance law if SB 361 is passed.

A. The small vessel owner/operator may:

1. Adhere to the standard terms and conditions in AS 46.03.462(b)(1).

2. Request that DEC allow the vessel to follow alternative terms and conditions for a period of time that the department deems appropriate under the provisions of AS 46.03.462(c). Under this provision, DEC may allow alternative terms and conditions that: 1) provide an equivalent level of environmental protection as the standard terms and conditions, 2) allow additional time for an owner/operator to make changes to a vessel, or 3) allow the use of experimental technology.

3. Under SB 361's new subsection AS 46.03.462(e), DEC would develop regulations that allow a vessel whose keel was laid before January 1, 2004 to submit a Best Management Practices plan for DEC approval. The plan would protect the environment to the "maximum extent feasible," but could not require retrofitting a vessel solely for the purpose of waste treatment if the retrofitting were to require stability testing or relicensing by the U.S. Coast Guard. An approved plan would be valid for 3 years.

Q. What would be the effect of changing the word "may" to "shall" in the first sentence of AS 46.03.462(e)?

"The owner or operator of a small commercial passenger vessel may submit a plan for alternative terms and conditions of vessel discharges if the keel was laid before January 1, 2004."

A. This would have the effect of requiring all small commercial passenger vessels submit a Best Management Plan, even if the vessel intended to comply with the standard wastewater discharge terms and conditions. Use of the permissive term "may" allows owners/operators to choose from among the three options: complying with the standard terms and conditions as provided in AS 46.03.462(b)(1), complying with alternative terms and conditions as provided by AS 46.03.462(c), or complying with an approved Best Management Plan as provided by the new AS 46.03.462(e). We suggest that retaining the permissive "may" is necessary to preserve the intended choice.

April 5, 2004

If you have any other questions regarding the department's interpretation of the bill, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Dan Easton". The letters are cursive and somewhat slanted.

Dan Easton, Director
Division of Water

cc: Senator Tom Wagoner
Senator Gary Stevens
Senator Kim Elton
Senator Georgiana Lincoln

STATE OF ALASKA
THE LEGISLATURE

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DATE: 4/12/2004

MESSAGE:

1 page to follow this cover

Please furnish this comment to the
SRES comte members for their consider-
ation and for the comte record

Thank you,

Ellen S. [Signature]

4/12/2004
Senate Resources Committee
RE: Small cruise vessel legislation
SB361

Dear Chairman Ogan and Senators,

We support passage of SB 361, the small cruise ship legislation. This bill is a responsible way of ensuring the small cruise ships can remain in business and protect the environment at the same time. We would like to urge your support, too.

SB 361 would allow the older, small ships like Lindblad's Sea Bird and Sea Lion and the Yorktown Clipper to use best management practices to minimize stationary wastewater discharges. This alternative to complete retrofitting of the vessel is responsible and environmentally sound.

These small cruise ships are US owner and crewed. Their passengers spend considerably more money per person than the large vessel passengers. The small companies are vital to the small communities. They use local tour operators and vendors. SB 361 will allow them to use best management practices to manage their wastewater discharges.

Please support SB 361. It is an environmentally responsible alternative for older vessels to meet wastewater discharge standards and continue to help sustain the communities in our area. These jobs and monetary contributions are vitally important.

Sincerely yours,
Viking Travel, Inc.
David Berg, President

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