

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3206 88

*failed
1-9*

25-LS0585VT.2
Kane
4/25/07

AMENDMENT)

OFFERED IN THE HOUSE
TO: CSHB 164(JUD)

BY REPRESENTATIVE GARA

1 Page 1, lines 2 - 5:

2 Delete ", to access to vessels by a wastewater treatment operator for purposes of
3 monitoring compliance with state and federal requirements, to the obligations of that
4 operator while aboard the vessels, and to the qualifications of the wastewater treatment
5 operator"

6

7 Page 2, lines 2 - 25:

8 Delete all material.

9

10 Renumber the following bill sections accordingly.

11

12 Page 2, line 28:

13 Delete "Sections 1 and 2 of this Act are"

14 Insert "Section 1 of this Act is"

**2007 HOUSE FINANCE
COMMITTEE VOTE SHEET**

DATE: 4-30-07

Amendment: Amend - 1
HB 164

MEMBER

Favor

Oppose

GARA	✓	
HAWKER		✓
JOULE		✓
KELLY		✓
NELSON		✓
STOLTZE		✓
THOMAS		✓
CRAWFORD	✓	
FOSTER		✓
CHENAULT		✓
MEYER		✓

Yea 2

Nay 9

with drawn

25-LS0585VT.3
Kanc
4/25/07

AMENDMENT 2

OFFERED IN THE HOUSE
TO: CSHB 164(JUD)

BY REPRESENTATIVE GARA

- 1 Page 2, lines 7 - 8:
- 2 Delete "port in Alaska or operating in Alaska waters between two Alaska ports"
- 3 Insert "transit in Alaska waters"

Adopted

25-LS0585W
Kane
4/25/07

CS FOR HOUSE BILL NO. 164(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to reporting of vessel location by certain commercial passenger vessels
2 operating in the marine waters of the state, to access to vessels by a wastewater
3 treatment operator for purposes of monitoring compliance with state and federal marine
4 discharge and pollution requirements, to the obligations of that operator while aboard
5 the vessels, and to the qualifications of the wastewater treatment operator; and
6 providing for an effective date."

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

8 * Section 1. AS 46.03.465(b) is amended to read:

9 (b) While a commercial passenger vessel is present in the marine waters of the
10 state, the owner or operator of the vessel shall provide to the United States Coast
11 Guard an hourly report of the vessel's location based on Global Positioning System
12 technology and collect routine samples of the vessel's treated sewage, graywater, and
13 other wastewaters being discharged into marine waters of the state with a sampling

1 technique approved by the department.

2 * Sec. 2. AS 46.03.476 is repealed and reenacted to read:

3 Sec. 46.03.476. Ocean Rangers. (a) The commissioner shall require the owner
4 or operator of a large commercial passenger vessel to allow a wastewater treatment
5 operator hired or retained by the department on board the vessel at random times
6 determined by the commissioner to perform the duties described in (b) of this section
7 while the vessel is in port in Alaska or operating in Alaska waters between two Alaska
8 ports.

9 (b) While on board a large commercial passenger vessel, the wastewater
10 treatment operator shall

11 (1) act as an independent observer for the purpose of monitoring
12 compliance with state and federal requirements pertaining to marine discharge and
13 pollution requirements;

14 (2) monitor, observe, and record data and information related to marine
15 discharge and pollution requirements in state and federal law, including registration,
16 reporting, and record-keeping requirements.

17 (c) While on board the vessel the wastewater treatment operator shall comply
18 with the vessel's approved United States Coast Guard security plan.

19 (d) Any information recorded or gathered by the wastewater treatment
20 operator shall be promptly conveyed to the department and the United States Coast
21 Guard on a form or in a manner approved by the commissioner. The commissioner
22 may share information gathered with other state and federal agencies.

23 (e) In this section, "wastewater treatment operator" means a Level III
24 wastewater treatment operator certified by the department under the authority of
25 AS 46.30.080.

26 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 RETROACTIVITY. Sections 1 and 2 of this Act are retroactive to December 17,
29 2006.

30 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

DRUCE D. WEYHKAUCH, LLC

whyrock@pci.net

114 S. FRANKLIN ST.

SUITE 200

JUNEAU, ALASKA 99801

TELEPHONE: (907) 463-5566

FAX: (907) 463-8858

RECEIVED

APR 04 2007

DIVISION OF
OCCUPATIONAL LICENSING
JUNEAU

April 3, 2007

Mr. Al Clough, Deputy Commissioner
Chairman, Alaska Board of Marine Pilots
Alaska Department of Commerce, Community and Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800

Re: DEC's Ocean Ranger Program and Marine Pilots

Dear Deputy Commissioner Clough:

We write on behalf of the Southeast Alaska Pilots' Association (SEAPA) about questions related to the state's new ocean ranger program, how it will be managed, and concerns that it not interfere with Alaska's marine pilot activities. We look forward to a constructive dialogue and meaningful input to the ocean ranger program, and to assist you and other state agencies on these questions and concerns. As we explain below, this interaction should start very soon.

SEAPA is an association of marine pilots who are licensed by the State of Alaska and United States Coast Guard. SEAPA is an organization recognized by the State's Board of Marine Pilots that dispatches marine pilots to cruise ships and cargo vessels transiting Southeast Alaska's marine waters from Dixon Entrance to Yakutat. Alaska law requires these vessels to have a marine pilot onboard while the vessel is in Alaska waters.

Marine pilots embark and disembark vessels at pilot stations or in various Alaska ports. That is an extremely dangerous process. Once onboard, marine pilots, among their other duties, are agents of the state to insure the safe transit of vessels, to insure the public has an independent observer with local knowledge of navigation and marine conditions, to protect the public and

Deputy Commissioner Al Clough
April 3, 2007
Page 2

RECEIVED
APR 04 2007
DIVISION OF
OCCUPATIONAL LICENSING
JUNEAU

commerce, and to assist and advise the captain and crew on ship handling and docking.

Last year, the state adopted an "ocean ranger" program. We understand that the ocean ranger program will be administered by the Department of Environmental Conservation, and we understand that DEC will begin to operate the ocean ranger program this year. SEAPA has not been advised how DEC will administer the ocean ranger program, how ocean rangers will be placed aboard vessels, where ocean rangers will stay once onboard a vessel, what the specific duties of an ocean ranger will be once they are onboard vessels, what each ocean ranger's term of stay will be onboard vessels, or any other policy or logistical aspect of DEC's ocean ranger program.

The first cruise ship will enter Alaska's waters for its first port of call (Juneau, Alaska) on May 6, 2007. Thus, time is growing short to deal with the many logistical and program issues related to ocean rangers, and address concerns by marine pilots about DEC's plans for implementing the ocean ranger program. SEAPA does not take a position on the ocean ranger program. It is state law and the state will have to deal with it. However, we write to advise you of SEAPA's concerns regarding the ocean ranger program and to make you aware that the tasks, functions, and operations of marine pilots should be taken into account by DEC as it implements the ocean ranger program.

How will ocean rangers get to and from vessels? The process of disembarking or embarking a vessel at a pilot station is hazardous, and cannot be interfered with in any way that could cause injury or the risk of an accident. SEAPA must contract with pilot boats and tugs to get marine pilots to and from a pilot station, and cannot assume liability for transporting others. We anticipate that ocean rangers will use their own method of transportation to each vessel they board, or arrange to get on or off vessels while the vessel is in port. Is that correct?

Where will ocean rangers stay while onboard a vessel? Adequate rest in quiet quarters is essential to the integrity of a marine pilot's duties while onboard a vessel. Marine pilots must be assured a quiet cabin onboard a vessel

Deputy Commissioner Al Clough
April 3, 2007
Page 3

RECEIVED
APR 3 2007
DIVISION OF
OCCUPATIONAL LICENSING
DENVER

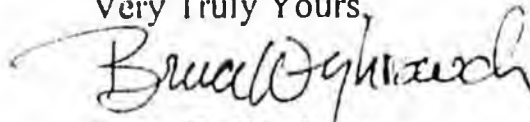
for their rest and sleep. No accommodation onboard a vessel reserved to a marine pilot should be compromised by the ocean ranger program. In addition, training future marine pilots is a critical aspect of SEAPA's activities, and is required by law. SEAPA must have assurances that its marine pilot trainees will have adequate accommodations onboard vessels too, and that such accommodations will not be interfered with by the ocean ranger program. We assume that the ocean rangers will be purchasing a berth on a vessel if they plan to travel on a vessel, and that that expense will be borne by the ocean ranger program. Is that correct?

Where will ocean rangers work while onboard a vessel? SEAPA has not been advised where an ocean ranger will operate while onboard a vessel. The marine pilot's critically important functions take place on the bridge, and must not be interfered with in any way by the ocean ranger program. There would be problems associated with interference of bridge personnel by the presence or activities of an ocean ranger on the bridge. The safety of the ship, crew, cargo, and public must come first, and that must be the first consideration of any program administered by DEC. Is DEC taking this approach?

Time is running short. We look forward to working with you and DEC in a constructive manner to address these and other questions and concerns, and to insure the safe, logistically sound implementation of the DEC ocean ranger program, while taking into account existing activities and legally-mandated duties of marine pilots and marine pilot trainees.

Thank you and please call if you have any questions about this matter.

Very Truly Yours,



Bruce B. Weyhrauch

C: Captain Larry Vose, President, Southeast Alaska Pilots' Association
DEC Commissioner Larry Hartig
Renda Heimburger, Marine Pilot Coordinator
Mr. Paul Kirchner, General Counsel, American Pilots Association
Rear Adm. Arthur E. (Gene) Brooks, Commander, 17th Coast Guard District, Alaska

TO: House Finance Committee Members
FR: Chip Thoma, Box 21884, Juneau
RE: CS HB 164, Ocean Rangers
Date: April 24, 2007

Thank you for the opportunity to comment on this bill that would significantly repeal the Ocean Ranger section of the 2006 Cruise Initiative.

CS HB 164 would **repeal** the initiative language that became law last December. The present cruise law requires that a Ranger be on board all large cruise ships that enter state waters. **This CS repeals that presence to a random system of observations and monitoring, beginning and ending in Alaska cruise ports.** The CS language does solve some logistical and jurisdictional issues, and it places Rangers on board ships between Alaska ports, as the law fully intended. However, the logistics and random boarding language, to be authorized by the DEC Commissioner, can be **accomplished by regulation**, not by repeal of the 2006 cruise law. This statutory change in the CS is unnecessary.

The CS also **repeals** the job description of an Ocean Ranger from a "licensed marine engineer" to a "Level III wastewater treatment operator." The **major** reason given for this change is that licensed marine engineers presently employed by the Alaska Marine Highway System (AMHS) **may quit their full-time jobs** for seasonal, 5-month work as Rangers aboard cruise ships. There is absolutely no basis for that assertion. In fact,

- There has been **not one inquiry by any Marine Hwy engineer** about the Ocean Ranger program to their local union or business agent.
- The AMHS marine engineers I spoke to assured me they would never quit their full-time jobs to become Rangers. Such a situation defies logic.

I called Juneau public works, who informed me that the CBJ has seven Level III operators, all employed full-time, and they know of no retired personnel. Also, the human resources section of the Anchorage Water & Wastewater Utility (AWWU) told me they employ 21 Level III operators, full-time. Golden Heart Utilities of Fairbanks reports they have 6 Level III operators employed. Additionally, the DEC master list shows a state total of 83 active Level III operators, whose certificates are current, and 23 expired certificates, most due to retirement. I contend that Level III operators **do not exist as a labor pool in Alaska** for Ocean Rangers. This present CS language is a **poison pill** that makes the Ranger program **inoperative** for 2007. This repeal is without merit.

Finally, the cruise ships **intend to charge Rangers for room and board**, at a cost of \$2100 week, \$300/day. With 25 Rangers working 25 weeks, that cost would be \$1.3M for May-September. The state or the contractor could rent apartments adjacent to cruise ports for the summer, saving at least \$1.25M.

LETTERS ABOUT OCEAN RANGERS: Both of these letters appeared in the Anchorage Daily News and Juneau Empire.

Ocean rangers should be onboard cruise ships 100 percent of time

I have been following the ocean ranger argument with interest. When I voted for the initiative I thought it called for 100 percent at-sea coverage of cruise ships, and that the head tax on cruise ship passengers would cover the costs of the program. Now the Legislature wants to tweak the initiative so coverage at best would be intermittent at sea. Meanwhile, the state would have to pay for the ocean rangers' staterooms.

The fishing industry in Alaska has been required to carry at-sea observers for years at the individual vessel's expense. The fishing vessels pay (through third-party contractors) all expenses for the observers including salaries, insurance and travel. In addition, the fishing vessels provide meals and lodging while the observers are onboard. Why should the cruise industry get a free ride? Why should the state of Alaska have to pay the cruise line to berth an ocean ranger?

The cruise industry utilizes the resources of Alaska just as the fishing industry does and should be bound by the same principles and standards. Ocean rangers should be onboard 100 percent of the time and their costs should be borne by the cruise ship industry.

---- Jim H. Branson, executive director (retired)

North Pacific Fishery Management Council

Need for cruise ship observers imperative to ensure compliance

While negotiating with the cruise industry over delinquent head tax, the people of Yakutat discovered that cruise ships were discharging sewage from the 480,000 passengers and crew that visit each year into our bay. Our beaches are where our residents gather clams, kelp, muscles and a multitude of other subsistence foods, so you can imagine our concern. In addition to subsistence, Yakutat Bay is the home of our gillnet and troll fishery. After extensive negotiations, the industry reluctantly agreed to stop dumping, but there is no way to determine if they're living up to our agreement.

During the negotiations, we were assured we would be notified immediately of any environmental mishaps. A week after our 2003 meeting, a cruise ship struck a reef at the head of our bay, putting a 120-foot crease and a 10-foot hole in its hull, dumping whatever was in its ballast tanks. Yakutat was not notified, like promised a week earlier. The ship went aground at the head of our bay and continued on to Seward, a distance of over 300 miles, with a 10-foot hole in its hull.

An observer would ensure that ships are not dumping illegally, and environmental mishaps are reported.

---- Dave Stone, mayor

City and Borough of Yakutat

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 25, 2007

SUBJECT: Ocean rangers program (CSHB 164(JUD);
Work Order No. 25-LS0585T)

TO: Representative Les Gara
Attn: Darcy Dugan

FROM: Brian J. Kane *BJK*
Legislative Counsel

You have requested a side-by-side comparison of what ocean rangers would do under the original AS 46.03.476 and what the wastewater treatment operators are supposed to do under CSHB 164(JUD).

As an initial note, while the title of the section refers to "Ocean Rangers," the text of AS 46.03.476 refers to the person required to board the vessel as a "marine engineer." There are three differences between the duties assigned to a marine engineer in the current AS 46.03.476 and the wastewater treatment operator's duties under CSHB 164(JUD).

(1) AS 46.03.476(a) states that part of the marine engineer's duties is to "insure that passengers, crew, and residents at ports are protected from improper sanitation, health, and safety practices." This duty has not been included in CSHB 164(JUD), but the other duties listed in AS 46.03.476(a) have been retained as duties of the wastewater treatment operator.

(2) AS 46.03.476(b) states that the marine engineer is to "monitor, observe, and record data and information related to the engineering, sanitation, and health related operations of the vessel. . . ." These observation duties of the marine engineer are not included in CSHB 164(JUD). The rest of the observation duties listed in AS 46.03.476(b) have been retained in the bill draft as duties of the wastewater treatment operator.

(3) Sec. 2(c) of CSHB 164(JUD) adds a duty for the wastewater treatment operator that is not found in the current AS 46.03.476. Sec. 2(c) of the bill states that the wastewater treatment operator "shall comply with the vessel's approved United States Coast Guard security plan" while aboard the vessel. This duty is not listed in the current AS 46.03.476.

If I may be of further assistance, please advise.

BJK:ljw
07:23:22 ljw

4/16/07

RE: Ocean Rangers & Cruise Ship Initiative Law

To All Alaska Legislators:

The following information substantiates the need for the Ocean Ranger program. This table is a partial list of discharges, violations and convictions by the cruise industry in recent years. The list is not exhaustive, because the cruise industry is not under independent observation. One can assume that there are many more incidents that are never reported. I trust this helps explain why 81,000 Alaskans voted to establish the Ocean Ranger program, based on the successful fisheries observer program that has served Alaska well for over thirty years. Thank you for consideration of these facts in your deliberations.

Gershon Cohen Ph.D., Co-sponsor of the Alaska Cruise Ship Ballot Initiative

907-766-3005, Gershon@aptalaska.net

Significant Pollution and Environmental Violations and Fines, 1998 - 2007
(The information in this table was copied from the website www.cruisejunkie.com, and includes incidents reported by the media and in public documents)

Year	Ship, Cruise Line Explanation of Offense(s)	Fine	Nature of Offense
January 2007	<i>Dawn Princess</i> , Princess Cruises The cruise line agreed to a plea bargain under which it pays a fine of \$200,000 and restitution of \$550,000 after criminal charges were filed. The company was charged with failing to cooperate at a slow, safe speed while near humpback whales and in 2001 hit and killed a humpback.	\$750,000	Whale strike
November 2006	<i>Mercury</i> , Celebrity Cruises The Seattle Times reports today that Celebrity Cruises faces a fine for the Mercury dumping 500,000 gallons of untreated wastewater into Puget Sound. Though it initially claimed it hadn't dumped, shipboard documents contradicted the company's claim. The dumping happened 10 times over nine days in September and October 2005.	\$100,000	Untreated Wastewater
March 2006	<i>Texas Treasure</i> , Corpus Christi Day Cruise The ship's operator pled guilty to obstructing a US Coast Guard investigation into whether the ship had illegally discharged waste oil and deliberately bypassed its pollution prevention equipment. The incidents occurred in October 2004. Sentencing is scheduled for April 25, 2006; the proposed plea agreement includes a \$300,000 fine and the institution of an Environmental Compliance Plan.	\$300,000	Oil discharges

March 2005	Disclosures of violation of MOU between the State of Hawai'i and the cruise industry: On March 12th the Honolulu Advertiser reported that Norwegian Cruise Line America's <i>Pride of Aloha</i> discharged about 70 tons of treated effluent into Honolulu Harbor last month, violating a voluntary agreement with the state. The state's agreement with the cruise ships allows such discharges at least a mile out from shore while traveling at least 6 knots. On March 16th, West Hawaii Today reported it had received numerous calls that Holland America's <i>Statendam</i> discharged what appeared to be "brown water" into Kailua Bay for about 15 minutes to 20 minutes before it moved further out to sea. Several of the callers reported the discharge left a "brown mark" on the vessel's side.	None	Violation of MOU
January 2005	The Washington State Department of Ecology issued a press release indicating 3 violations of its MOU with the cruise industry. One violation occurred on May 13 in Port Angeles, when Holland America Line's <i>Zaandam</i> discharged treated effluent through an advanced wastewater treatment system that Ecology had not approved. The <i>Zaandam</i> made only one port call in Washington in 2004. Princess Cruises' <i>Sapphire Princess</i> discharged treated effluent throughout the 2004 season through an advanced treatment system that had not received Ecology approval. The ship also released untreated waste water from its galleys and laundry during one voyage between Seattle and Victoria in June. Ecology is investigating the June discharge.	None	Violation of MOU
December 2004	<i>SunCruz</i> , JAB America JAB America, Inc., pled guilty to charges that one (1) of its vessels, the <i>SunCruz VI</i> , dumped garbage off its deck into waters of the United States while departing from Port Everglades on April 24, 2004. US Coast Guard surveillance equipment observed and recorded several filled plastic garbage bags being dumped overboard from the vessel into Government Cut near Fort Lauderdale.	Unknown	Plastic and garbage
November 2004	Holland America Line (Carnival Corporation) In August 2004, Holland America Line was notified by the National Park Service that the <i>Volendam</i> and <i>Statendam</i> may have violated opacity standards while operating in Glacier Bay. On November 10, 2004, NPS notified Holland America Line in separate letters that a Violation of Record would be entered in the permanent park files for each ship.	None	Air opacity
October 13, 2004	<i>Pride of Aloha</i> , NCL America Discharged approximately 300 gallons of effluent into Hilo Harbor	None	Violation of MOU
June 2004	Holland America Line (Carnival Corporation) Former Vice President, Richard K. Softye, was fined \$10,000 after pleading guilty to falsely certifying that Holland America Line was performing environmental audits when it wasn't. He was also ordered to perform 450 hours of community service while on probation for	\$10,000	Falsifying record

	three years.		
March 2004	<p>Carnival Corporation Carnival Corporation reported in its 10Q filing with the Securities and Exchange Commission that on March 5, 2004, Holland America Line notified the United States and Netherlands governmental authorities that one of its chief engineers had admitted to improperly processing bilge water on the Noordam. A subsequent internal investigation determined that the improper operation may have begun in January 2004 and may have continued sporadically through March 4, 2004. The matter had also been raised by Coast Guard officials in San Juan, Puerto Rico to their counterparts in Tampa following a report to them of the incidents. It isn't clear whether Holland America's self-report predates the report made by the Coast Guard. Holland America Line and three shipboard engineers have received grand jury subpoenas from the Office of the U.S. Attorney in Tampa, FL (where the ship was homeported). (See CCL 10Q filed with the SEC on April 8, 2004)</p>		Bilge water
December 2003	The Honolulu Advertiser reported there had been at least 14 violations of Hawaii's MOU with the cruise industry in the first year. See Hawaii MOU.html	None	Violation of MOU
October 2003	<p>Carnival Cruise Line Carnival Cruise Line paid \$200,000 administrative fee to settle with the California State Lands Commission over the cruise line's noncompliance with state ballast water discharge law.</p>	\$200,000	Ballast water
August 2003	<p>Carnival Corporation In a petition filed with the U.S. District Court in Miami late last month, Carnival's probation officer in Fort Lauderdale, Fla., accused the company of violating terms of its probation by filing 12 false audit reports and asked that Carnival be required to pay another community-service fine. Carnival officials said they fired three environmental-compliance employees responsible for the reports. But the company did not admit to violating its probation.</p>		Falsifying records
August 2003	At the new cruise ship terminal at the Port of Seattle, cruise ships fail to abide by requirement to use low-sulfur diesel while docked – a violation of the state environmental mandates for the project.		Air pollution
May 2003	<p>Norwegian Sun, Norwegian Cruise Line The ship is cited by the State of Washington for an illegal discharge of 16,000 gallons (40 tons) of raw sewage into the Strait of Juan de Fuca (just off Whidbey Island, a popular vacation resort). The strait is known to be habitat for Orca whales.</p>		Sewage discharge
February 2003	<p>Norwegian Wind, Norwegian Cruise Line A couple aboard the ship reported observing whole beer bottles, whole wine bottles, beer and pop cans, corks, plastic plates, plastic utensils, plastic cups and organic material all being tossed into the ocean from the back of the ship. The ship was between Hawaii</p>	None	Disposal of plastics and other garbage

	and Fanning Island. The company insists it did nothing illegal. The incident is being investigated by the US Coast Guard and EPA.		
January 2003	<i>Ecstasy</i> , Carnival Cruise Line The company reported an accidental discharge of 60 gallons of grey water while anchored at Avalon Bay (Catalina Island, California), approximately one-half mile from land.	None	Graywater discharge
October 2002	<i>Crystal Harmony</i> , <i>Crystal Cruises</i> Reported in March 2003 that contrary to a written promise to not discharge in the Monterey Bay Marine Sanctuary, the ship discharged 36,000 gallons of treated bilge, treated sewage, and grey water. The company stated that it didn't report the discharge because it wasn't illegal -- it only represented that they didn't keep their promise.	None -- but ship banned for life from Monterey, CA; Crystal banned for 15 years	Sewage discharge
Summer 2002	Holland America Line 1 ship cited for violations of air opacity regulations	\$27,500	Air pollution
August 2002	<i>Ryndam</i> , Holland America Line Approximately 40,000 gallons (250 according to HAL) of sewage sludge discharged into Juneau harbor. The incident was reported by harbormaster staff. The brown, thick substance is being tested by Alaska's DEC for fecal coliform, pH, and biochemical demand levels.	\$2 million in December 2004	Sewage discharge
July 2002 Plea Agreement	<i>Norway</i> and "at least one other ship", Norwegian Cruise Line Norwegian Cruise Line pled guilty to on numerous occasions from 1997 through April 2000 that it routinely circumvented the oily water separator, allowing oily bilge to be discharged directly into the sea. The company was given a lenient sentence because it reported its practices to the Department of Justice.	\$1.5 million (\$1 million fine and \$500,000 in court-ordered community service to fund environmental projects in South Florida)	Oil discharges
April 2002 Plea Agreement	<i>Ecstasy</i> , <i>Fantasy</i> , <i>Imagination</i> , <i>Paradise</i> , <i>Sensation</i> , <i>Tropicale</i> , Carnival Corporation Carnival Corporation pled guilty to numerous occasions from 1996 through 2001 that it discharged oily waste into the sea from their bilges by improperly using pollution prevention equipment. In addition, the company falsified Oil Record Books in order to conceal its practices. The plea agreement only focuses on Carnival Cruise Line (and dismisses any future charges against other Carnival Corp. subsidiaries), however it only applies to the Southern District of Florida. Other federal jurisdictions may pursue independent investigation and prosecution.	\$18 million (\$9 million fine and \$9 million in court-ordered community service to fund environmental projects in South Florida)	Oil discharges
December 2001	<i>Zenith</i> , Celebrity Cruises A compliance audit under the plea agreement between Royal Caribbean and the US Department of Justice found that a 55-gallon drum of hazardous waste generated by the print shop was landed at Tampa as non-hazardous waste.	None	Improper disposal of hazardous waste
October 2001	<i>Spirit of Oceanus</i> , Cruise West Discharged 24,000 gallons of graywater in the port of San Diego		Graywater discharge

Summer 2001	Carnival Cruise Line, Celebrity Cruises, Crystal Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises 11 ships (six companies) cited for violations of air opacity regulations	Carnival Cruise Line (\$27,500 – suspended) Celebrity Cruises (\$55,000, 1/2 suspended) Crystal Cruises (\$55,000 – 1/2 suspended) Holland America (\$27,500 – suspended) Norwegian Cruise Line (\$27,500) Princess Cruises (\$55,000 – suspended) Royal Caribbean Int'l (\$27,5000 – suspended)	Air pollution
June 2001	<i>Rhapsody of the Seas</i> , Royal Caribbean International Discharged 200 gallons of graywater into Juneau harbor.	Unknown (up to \$25,000 is allowed)	Graywater discharge
June 2001	<i>Mercury</i> , Celebrity Cruises Discharged treated wastewater at Juneau without required permits. Tests of the wastewater indicated that it was more acidic than permitted for discharging within a mile of shore.	Unknown (up to \$25,000 is allowed)	Wastewater discharge
May 2001	<i>Westerdam</i> , Holland America Line Discharged gray wastewater while docked in Juneau -- estimated by Holland America Line at 30 to 100 gallons (the pump's output is 200 gallons per minute, so the estimate appears low).	Unknown (up to \$25,000 is allowed)	Graywater discharge
May 2001	<i>Norwegian Sky</i> , Norwegian Cruise Line Discharged black water (sewage) for 20 to 30 minutes (meaning a waste stream of up to three-quarters of a mile) while the vessel was en route from Juneau to Ketchikan and within 3 miles of the Alexander Archipelago. Fecal coliform counts were 3500 times the allowable federal standard and total suspended solids 180 times the standard.	Unknown (up to \$25,000 is allowed)	Sewage discharge
Jan - May 2001	<i>Holiday</i> , Carnival Cruise Line Discharges 768,000 gallons of greywater (nearly 40,000 gallons per week for 20 weeks) into the port of San Pedro, California	None	Graywater discharge
Summer 2000	Carnival Cruise Line, Celebrity Cruises, Crystal Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises, World Explorer Cruises 15 ships (7 companies) cited for violating Alaska's state smoke-opacity standards when they were docked in Juneau between mid-July and mid-August	Carnival Cruise Line (\$27,500) Celebrity Cruises (\$55,000) Crystal Cruises (\$55,000) Holland America (\$165,000 – \$55,000 suspended) Norwegian Cruise Line (\$27,500) Princess Cruises (\$55,000) World Explorer Cruises (\$27,500 -- \$10,000 suspended)	Air pollution
January 2000 Plea Agreement	Royal Caribbean Cruises Ltd. State of Alaska charged RCCL in August 1999 for seven counts of violating state laws governing oil and hazardous waste disposal. In January 2000, RCCL pled guilty to dumping toxic chemicals (including dry-cleaning fluid) and oil-contaminated water into the state's waters.	\$3.5 million	Discharge of toxic chemicals, oil discharge
Summer 1999	Carnival Cruise Line, Celebrity Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises, World Explorer Cruises 13 ships (six companies) charged by the Environmental Protection Agency for air pollution violations in the waters of Juneau, Seward and Glacier Bay	Carnival Cruise Line (\$55,000) Celebrity Cruises Holland America (\$55,000) Norwegian Cruise Line (\$55,000) Princess Cruises (\$110,000) World Explorer Cruises (unknown)	Air pollution

July 1999 Plea Agreement	<p><i>Grandeur of the Seas, Majesty of the Seas, Monarch of the Seas, Nordic Empress, Nordic Prince, Song of America, Song of Norway, Sovereign of the Seas, Sun Viking, Royal Caribbean Cruises Ltd.</i></p> <p>The company pled guilty in six jurisdictions to charges of fleet wide practices of discharging oil-contaminated waste, regularly and routinely discharging without a permit wastewater contaminated by pollutants through its ships' gray water systems, and making false material statements to the Coast Guard. These practices occurred fleet-wide into 1995 and occurred on one ship as late as 1998. Among the violations supporting this guilty plea were repeated oil discharges from the Nordic Prince into the waters of Alaska's Inside Passage during 1994. Jurisdictions: Miami (\$3 million), New York City (\$3 million), Los Angeles (\$3 million), Anchorage (\$6.5 million), Puerto Rico (\$1 million), US Virgin Islands (\$1.5 million)</p>	\$18 million ((\$3.5 million designated for the National Fish and Wildlife Foundation and \$2.5 million to the National Park Foundation)	Oil discharge, discharge of hazardous waste, falsifying records
September 1998	<p><i>Island Adventure, Meridian Ship Managers</i></p> <p>200 gallons of fuel oil spilled into the Intracoastal Waterway, Port Everglades, FL</p>	\$5000	Oil spill
June 1998 Plea Agreement	<p><i>Sovereign of the Seas, Monarch of the Seas, Song of America, Nordic Prince, Nordic Empress, Royal Caribbean Cruises Ltd</i></p> <p>After <i>Sovereign of the Seas</i> was found discharging oily bilge waste approximately 8-12 miles from San Juan Harbor, PR on October 25, 1994, an investigation found the ship's engineers routinely discharged oily waste overboard instead of processing it through the ship's oily water separator. In addition, employees on all five ships falsified oil record books and made false statements to the Coast Guard to conceal illegal discharge practices.</p>	\$8 million ((\$1 million designated to the National Fish and Wildlife Foundation)	Oil discharge, falsifying records
June 1998 Plea Agreement	<p><i>Nordic Empress, Royal Caribbean Cruise Ltd</i></p> <p>Ship observed and filmed by Coast Guard aircraft as it discharged oil while en route to Miami, FL. The company pled guilty to the willful presentation of a false oil record book for the ship during a US Coast Guard Investigation. In addition, investigations revealed that the ship had been fitted with a bypass pipe allowing employees to discharge bilge waste from the ship without first processing it through an oily water separator</p>	\$1 million	Oil discharge, falsifying records
June 1998 Plea Agreement	<p><i>Rotterdam, Holland America Line</i></p> <p>In 1994, discharged waste 13 times in 10 days into Alaskan waters. The ship had fixed, permanent piping that allowed oily waste to be discharged directly overboard.</p>	\$2 million ((\$1 million fine, \$1 million restitution)	Oil discharge
March 1998	<p><i>Statendam, Holland America Line</i></p> <p>210 gallons of oil spilled into Los Angeles Main Channel, CA</p>	\$800 fine \$50,000 restitution	Oil discharge

Alaska State Legislature



HOUSE TRANSPORTATION COMMITTEE

HB 164 – Cruise Ship Location Reports and Ocean Ranger Access to Vessels

This legislation narrows the broad language of Ballot Measure 2: "The Cruise Ship Initiative". This bill will allow the Department of Environmental Conservation (DEC) to implement the initiative in a reasonable way. A way that reflects the low level of risk large cruise ships present to Alaskans and the waters and marine resources of the state. In no way does HB 164 ease or lessen the federal and state environmental laws that have regulated cruise ship discharges since 2001.

This bill:

- Clarifies that hourly reports of vessel locations are to be submitted to the United States Coast Guard
- Clarifies that the requirement to be an "Ocean Ranger" is equivalent to a level III wastewater treatment operator certified by the department under the authority of AS 46.30.080
- Clarifies the times that an "Ocean Ranger" is allowed on a vessel to "random times determined by the commissioner [of DEC] while the vessel is in an Alaska port or operating in Alaska waters between two Alaska ports"
- Clarifies that an "Ocean Ranger" must comply with the vessel's approved United States Coast Guard security plan while aboard the vessel
- Clarifies that while onboard a vessel, the Ocean Ranger's job duties include monitoring, observing, and recording data and information related to the registration, record-keeping, and discharge functions already required by federal and state law

Below are a number of facts that support making these clarifications or changes to the initiative provisions:

- In 2001, only 2 of 24 large cruise ships (8%) entering Alaska waters had installed advanced wastewater treatment systems. In 2006, 24 of 29 large cruise ships (82%) entering Alaska waters had installed wastewater treatment systems
- Of all the large cruise ships operating in Alaska waters, only those with properly maintained and operated advanced wastewater treatment systems were approved under federal and state laws to discharge wastewater in Alaska
- In 2004, DEC issued a report titled: "Assessment of Cruise Ship and Ferry Wastewater Impacts in Alaska" that found wastewater effluent from large cruise ships with advanced wastewater treatment systems does not pose a risk to aquatic organisms.
- The same DEC study also determined that "No human risk is posed by the low concentration of tested pollutants found in wastewater samples"
- The same DEC study found that wastewater samples "indicate that hazardous materials are not being discharged through these (large cruise ship) wastewater systems
- Since 2001, federal and state laws have been implemented regulating cruise ship discharges and already impose requirements such as a Quality Assurance / Quality Control Plan and a Vessel Specific Sampling Plan to ensure accurate monitoring, sampling, recording, and analysis of cruise ship discharges.

This bill should also significantly reduce or eliminate the need for the state to pay an estimated \$2.0 million dollars in state general funds to implement the Ocean Ranger program.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 2, 2007

SUBJECT: Ocean Ranger Jurisdiction (Work Order No. 25-LS0672)

TO: Representative Kyle Johansen
Attn: Randall Ruaro

FROM: Alpheus Bullard *TLAB*
Legislative Counsel

In response to your request: The state of Alaska does not have jurisdiction over Canadian waters. In the absence of an agreement between the United States and Canadian governments Alaska lacks the authority to mandate that the owner or operator of a large cruise ship have an "Ocean Ranger" aboard while the vessel is in Canadian waters.

TLAB:med
07-215.med

The Legislature's Power To Control Appropriations Is An Important "Check And Balance" On The Initiative Process

Authority

Article IX, sec. 13:

"Expenditures. No money shall be withdrawn from the treasury except in accordance with appropriations made by law."

February 28, 1977, AG Opinion

"This provision [Article IX, sec. 13] gives the legislature total and absolute power over the expenditure of state funds."

Municipality of Anchorage v. Frohne 568 P.2d 3, 5 fn. 5 (Alaska 1977)

"Statutory language implementing [Article IX, sec. 13] establishes a budgetary system in which all appropriations are made by legislative act. AS 37.30.030, .080, .100"

Article XI, sec. 7:

"Restrictions. The initiative shall not be used to ... make ... appropriations

Section 8, (Cruise Ship Initiative) Ballot Measure #2

"[t]he Ocean Ranger program ... shall be subject to legislative appropriation"

**Statement of Facts from Testimony and Documents
Presented to the House Transportation Committee, EPA Records,
and U.S. Public Health Service Records
Showing the Risk to Alaska From Wastewater Pollution or
Health and Sanitation Issues by Today's Fleet of
Large Cruise Ships is Very Low**

FACT #1: In 2006, 83% Of The Cruise Ship Fleet Operated In Alaska Waters With "State Of The Science" Advanced Wastewater Treatment Systems.

Lynn Kent, Director of the Division of Water for the State DEC, Captain Roussel, and Captain Phillips testified and provided a spreadsheet showing that prior to 2002, (the old fleet) there were only 2 cruise ships in Alaska out of 24 total vessels that operated with advanced wastewater treatment system. (AWTS) In 2006, today's fleet, 24 out of 29 (82%) of large cruise ships have advanced wastewater treatment systems (AWTS) and those numbers have been increasing every year.

This represents an 1100 percent increase in vessels operating with AWTS in Alaska waters in just about the amount of time it took for the 2003 initiative to make it to the ballot in 2006. (The 4 vessels without AWTS are holding wastewater until they are outside state waters)

FACT #2: Cruise Ships With AWTS Produce Effluent So Clean, They Are Certified To Discharge Continuously While Moving Or Tied Up In Port By The United States Coast Guard.

Captain Roussel and Captain Phillips testified that AWTS represent the state of the art in wastewater treatment technology. The technology was described as "a system of bioreactors and filters that basically treat wastewater through enhanced aerobic digestion and low pressure membrane filtration."

Captain Roussel and Captain Phillips testified that AWTS not only allow the ships to meet Alaska's wastewater discharge requirements (AS 46.03.460 – AS 46.03.490) they allow them to beat them. With discharge levels in some areas far below the legal limits.

Lt. Dan Buschbaum, the Assistant Chief of Inspections for the USCG here in Juneau, Alaska has stated: "Some of the wastewater discharged by cruise ships traveling in Alaska's waters [those with AWTS] is actually clean enough to drink" and "the advanced wastewater treatment systems employed with this option are discharging some of the cleanest wastewater ever seen". *Winter 2005-2006 edition of Coast Guard Proceedings*, "Cleaning up Wastewater".

Ms. Kent from DEC testified there has not been a Notice of Violation for a wastewater violation issued to a large cruise ship in the last 2 years.

(Note: The USCG has jurisdiction over AWTS and has issued regulations describing how AWTS must be designed, constructed, installed, operated, and maintained, as well as setting effluent levels that must be met before a ship with an AWTS will be certified to discharge continuously. *33 CFR Part 159.*)

FACT #3: The State DEC Tested Effluents From Ships With Advanced Wastewater Systems And Found They Do Not Present A Hazard To Humans Or The Environment.

On February 9, 2004, the State Department of Environmental Conservation issued a report after collecting and studying several years of data from samples of cruise ship wastewater discharge and concluded:

“Since the passage of the Alaska cruise ship laws, large cruise ships [have] installed advanced wastewater treatment systems that meet the stringent U.S. Coast Guard requirements for continuous discharge. The quality of the wastewater on large ships has therefore improved dramatically.” Page 55

“WET testing results and a comparison of sample results with Alaska Water Quality Standards indicate that the effluent from these advanced systems is not expected to cause toxicity to the marine environment. No human health risk is posed by the low concentration of tested pollutants found in wastewater samples. The wastewater samples indicate that hazardous materials are not being discharged through these wastewater treatment systems.” Page 35.

“Test results indicate that wastewater effluent from large ships with advanced wastewater treatment systems does not pose a risk to aquatic organisms, even during stationary discharges. ... None of the pollutants

mentioned above are present in concentrations [that would] cause risks to human health.” Page 55-56.

FACT #4: The Federal EPA Has Tested Effluent From Ships With AWTS And Found The Systems Are Very Effective In Removing Pollutants.

On December 12, 2000, Congress passed HR 4577 which contained Title XIV. Title XIV set discharge standards for sewage and graywater from large cruise ships in Alaska. The law also authorized EPA to develop additional standards if necessary. EPA conducted sampling of wastewater discharge from 4 vessels in 2004 and made finding like these which are from a test of the wastewater from the cruise ship *Veendam*:

“The Zenon treatment system successfully removed almost all pathogen indicators (greater than 99%) and most classical pollutants, metals, and organics. Two pathogen indicators, fecal coliform and *E. coli* were not detected in any of the 15 effluent treatment samples, ... The treatment system removed almost all BOD [biochemical oxygen demand] (greater than 99%), COD [chemical oxygen demand] (97%), total organic carbon (TOC) (93%), settleable residue (greater than 99%) and TSS [total settleable solids] (greater than 99%) ...” *Sampling Episode Report, Holland America Veendam, Executive Summary, March 2006, p. vii.*

FACT #5: Monitoring Of Pollution Discharges From Vessels Is Already Occurring By The USCG, DEC, And Independent Contractors.

Title XIV also required the USCG to expand its current vessel inspection program to include all discharge control equipment on cruise ships, required sampling and testing of sewage and graywater discharges, authorized unannounced inspections and logbooks recording all sewage and graywater discharges. The USCG's system has been put into place in cooperation with DEC and the industry.

Mr. Wetzel from Admiralty Environmental, the independent contractor now conducting sampling and testing on the cruise ships described this process as including unannounced sampling and regularly scheduled sampling by his teams, most of which occur in port.

Mr. Wetzel and Ms. Kent from DEC testified how under the current program, a DEC employee who is actually trained in science and proper monitoring and sample taking, periodically boards a vessel with the teams from Admiralty Environmental, watches them perform their work, evaluates that work, (which includes a list of 25 specific criteria) and reports the results in writing to DEC and the Coast Guard. Admiralty Environmental passed all its DEC and University of Alaska audits in 2006.

Mr. Wetzel also testified that in addition to his two trained employees taking samples, and the DEC employee periodically auditing their work, a scientist with a Ph.D., from the University of Alaska also periodically boards the ships to observe and report on the sample procedures and also reviews the testing techniques of the lab receiving and analyzing the samples.

Mr. Wetzel and Ms. Kent also reviewed for the Transportation committee the sampling and testing procedures in the Quality Assurance / Quality Control Plan which is reviewed and updated annually by the Coast Guard and DEC. This plan is designed by the regulating agencies to ensure proper sample taking, proper testing, proper recording of results, and proper reporting of results to the regulating agencies.

Mr. Wetzel and Ms. Kent also discussed how in addition to complying with the QA / QCP each vessel is required to submit a vessel specific sampling plan (VSSP). A VSSP describes the specific AWTS aboard each vessel (Zenon Bioreactor System, etc.) and how contingencies will be handled in the event of a malfunction.

FACT #6: The United States Public Health Service Is Already Conducting Health And Sanitation Inspections On Cruise Ships And The Ships Are Passing The Inspections.

Federal statutes give the United States Public Health Service jurisdiction over health and safety on cruise ships. Those federal statutes are

cited on pages 152 to 162 of the Vessel Sanitation Program Manual published by the Centers for Disease Control.

The 27 large cruise ships operated by major lines in Alaska in 2006 were inspected a total of 403 times by trained federal health, safety, and sanitation inspectors. These ships passed 99% of those inspections. (All but 5 inspections). None of the 27 vessels had failed a health and safety inspection in the last 5 years, and that single failed inspection was the last one for these vessels in over a decade.

Table updated on 5/22/06 by DEC

2006 Large¹ Commercial Passenger Vessels Discharge Status and Wastewater Treatment

Vessel Operator	Vessel Name	Passenger Capacity (actual)	Crew Capacity	Total Persons on Board ²	Blackwater (BW) Treatment System Manufacturer	Graywater (GW) Treatment System Manufacturer	Discharging in Alaska ³ & Subject to sampling program		Type of Treatment System
							BW	GW	
Carnival Cruise Lines	<i>Carnival Spirit</i>	2125	934	3059	Tinnit/Rochem	Rochem UF	No	Yes	Rochem is a reverse osmosis ultrafiltration system.
Celebrity Cruises	<i>Infinity</i>	2036	997	3035	Zenon	Mixed with BW	Yes	Yes	Zenon is a biological reactor and ultrafiltration system.
Celebrity Cruises	<i>Mercury</i>	1870	909	2779	Biopur/Rochem	Mixed with BW	Yes	Yes	Rochem is a reverse osmosis ultrafiltration system.
Celebrity Cruises	<i>Summit</i>	2449	960	3409	Hamann/Azarus	None	No	No	Hamann/Azarus is dilution and filtration system.
Holland America	<i>Oosterdam</i>	1824	800	2624	Rochem	Mixed with BW	Yes	Yes	Rochem is a reverse osmosis ultrafiltration system.
Holland America	<i>Ryndam</i>	1266	588	1854	Zenon	Mixed with BW	Yes	Yes	Zenon is a biological reactor and ultrafiltration system.
Holland America	<i>Statendam</i>	1266	588	1854	Zenon	Mixed with BW	Yes	Yes	Zenon is a biological reactor and ultrafiltration system.
Holland America	<i>Vaandam</i>	1266	588	1854	Zenon	Mixed with BW	Yes	Yes	Zenon is a biological reactor and ultrafiltration system.
Holland America	<i>Voendam</i>	1440	620	2060	Zenon	Mixed with BW	Yes	Yes	Zenon is a biological reactor and ultrafiltration system.
Holland America	<i>Westerdam</i>	1648	800	2648	Rochem Bio-filtration	Rochem LPRO	Yes	Yes	Rochem is a reverse osmosis ultrafiltration system.
Holland America	<i>Zaandam</i>	1460	620	2080	Zenon	Mixed with BW	Yes	Yes	Zenon is a biological reactor and ultrafiltration system.
Holland America	<i>Zuidendam</i>	1848	800	2648	Rochem Bio-filtration	Rochem LPRO	Yes	Yes	Rochem is a reverse osmosis ultrafiltration system.
Kyma Ship Management	<i>Topaz</i>	999	Unknown	999 + crew	Unknown	Unknown	No	No	
Mitsui O.S.K. Passenger Line	<i>Nippon Maru</i>	500-999	Unknown	Unknown	Unknown	Orca II	No	No	
Norwegian Cruise Lines	<i>Norwegian Star</i>	2240	1100	3340	Scanship	Mixed with BW	Yes	Yes	Scanship is a biological reactor and ultrafiltration system.
Norwegian Cruise Lines	<i>Norwegian Sun</i>	2002	950	2952	Scanship	Mixed with BW	Yes	Yes	Scanship is a biological reactor and ultrafiltration system.
Norwegian Cruise Lines	<i>Norwegian Wind</i>	2100	700	2800	Scanship	Mixed with BW	Yes	Yes	Scanship is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Coral Princess</i>	1950	850	2800	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Dawn Princess</i>	1950	900	2850	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Diamond Princess</i>	2670	1238	3908	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Island Princess</i>	1950	850	2800	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Royal Princess</i>	1599	660	2256	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Sapphire Princess</i>	2670	1238	3908	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Princess Cruise Line	<i>Sun Princess</i>	1950	870	2820	Hamworthy Bioreactor	Accommodations mixed with BW	Yes	Accommodations Only	Hamworthy is a biological reactor and ultrafiltration system.
Radisson Seven Seas	<i>Seven Seas Manner</i>	769	431	1200	Hamworthy Bioreactor	Mixed with BW	Yes	Yes	Hamworthy is a biological reactor and ultrafiltration system.
Royal Caribbean Cruises Ltd.	<i>Radiance of the Seas</i>	2100	850	2950	Unknown	Unknown	No	No	
Royal Caribbean Cruises Ltd.	<i>Serenade of the Seas</i>	2100	850	2950	Scanship	Mixed with BW	Yes	Yes	Scanship is a biological reactor and ultrafiltration system.
Royal Caribbean Cruises Ltd.	<i>Vision of the Seas</i>	2400	800	3200	Hydroxyl	Unknown	No	No	Hydroxyl is an activated oxidation process.
Silver Shadow Shipping	<i>Silver Shadow</i>	435	305	740	Baopure/Manson	Mixed with BW	Yes	Yes	

¹ A large vessel has overnight accommodations for 250 or more passengers.

² Capacity is calculated from Registration, Vessel Specific Sampling Plan, or Juneau Cruiseship Schedule. Actual number of passenger aboard varies dependent upon sales.

³ Alaska water extends 3 miles from the coastline and includes the Alexander Archipelago. Only vessels that discharge into Alaska waters are required to meet wastewater sampling and reporting requirements.

The wastewater systems on these vessels meet stringent effluent limits and are approved by the U.S. Coast Guard to discharge continuously.

These vessels are not discharging in Alaska waters during the 2006 season.

Table updated 5/4/06 by DEC

2006 Small¹ Commercial Passenger Vessels Wastewater Treatment

Vessel Operator	Vessel Name	Passenger Capacity (lower berth)	Crew Capacity	Total Persons on Board	Blackwater Treatment System Manufacturer	Graywater treatment	Discharging in Alaska ² & Subject to sampling program		Type of Treatment System
							BW	GW	
Alaska Marine Highway System	<i>Columbia</i>	157	66	223	Omnipure	Mixed with BW	Yes	Yes	Macerator Chlorinating System
Alaska Marine Highway System	<i>Kennicott</i>	162	42	204	Orca	Mixed with BW	Yes	Yes	Macerator Chlorinating System
Alaska Marine Highway System	<i>Malaspina</i>	138	50	188	Omnipure	Mixed with BW	Yes	Yes	Macerator Chlorinating System
Alaska Marine Highway System	<i>Matanuska</i>	136	50	186	Omnipure	Mixed with BW	Yes	Yes	Macerator Chlorinating System
Alaska Marine Highway System	<i>Taku</i>	55	42	97	Effluent Technology	Mixed with BW	Yes	Yes	Macerator Chlorinating System
America West Steamship	<i>Empress of the North</i>	235	85	320	Orca	Chlorine	Yes	Yes	Macerator Chlorinating System
CruiseWest	<i>Spirit of 98</i>	96	26	122	Red Fox	None	Yes	Yes	Biological Chemical
CruiseWest	<i>Spirit of Alaska</i>	78	21	99	Omnipure	None	Yes	Yes	Macerator Chlorinating System
CruiseWest	<i>Spirit of Columbia</i>	78	21	99	Omnipure	None	Yes	Yes	Electrocatalytic
CruiseWest	<i>Spirit of Discovery</i>	84	21	105	Red Fox	None	Yes	Yes	Biological Chemical
CruiseWest	<i>Spirit of Endeavour</i>	102	28	130	Omnipure	None	Yes	Yes	Electrocatalytic
CruiseWest	<i>Spirit of Oceanus</i>	114	64	178	Hamworthy	None	Yes	Yes	Biological & Filtration
Hapaq-Lloyd	<i>Bremen</i>	164	94	258	unknown	unknown	No	No	Unknown
New World Management	<i>Yorktown Clipper</i>	138	37	175	Omnipure 12MX824-27	Chlorine	Yes	Yes	Electrocatalytic
Lindblad Expeditions	<i>Sea Bird</i>	70	28	98	Omnipure 12M	Chlorine	Yes	Yes	Electrocatalytic
Lindblad Expeditions	<i>Sea Lion</i>	68	28	96	Omnipure 12M	Chlorine	Yes	Yes	Electrocatalytic
New World Management	<i>Clippcr Odyssey</i>	128	76	204	Consillium Neplumatic	Chlorine	Yes	Yes	Macerator Chlorinating System

¹A small vessel has overnight accommodations for 50-249 passengers. A large vessel has overnight accommodations for 250 or more passengers.

²Alaska water extends 3 miles from the coastline and includes the Alexander Archipelago. Vessels discharging in Alaska water must sample their wastewater twice per season.

Cleaning Up Wastewater



The Coast Guard, state and federal regulators, and the cruise ship industry collaborate to improve wastewater quality.

by I.T. DAN BUCHSBAUM

Assistant Chief of Inspections, U.S. Coast Guard Marine Safety Office Juneau, Alaska

and Ms. JENNIFER KIEFER

Technical Writer, SAGE Systems Technologies

We all know that the quality of drinking water is stringently regulated. But did you know that wastewater is also regulated? In fact, some of the wastewater discharged by cruise ships traveling in Alaska's waters is actually clean enough to drink! Perhaps drinkable wastewater does not sound too exciting, but the partnership and technology that has created it definitely is.

Regulating Wastewater...as a Team

Alaska is renowned for its spectacular scenery, and cruise ships are a highly visible part of that scene. Each year, the ships transport more than one million people around the beautiful coastlines, bringing with them great revenue—and leaving behind a considerable amount of wastewater. Concerned by this growing environmental pollution, Alaska has spent the last

decade focused on implementing cleaner wastewater standards. The result has been crystal clear success.

In 1999 the Alaska Department of Environmental Conservation (ADEC) organized the Alaska Cruise Ship Initiative (ACSI) to review the cruise ship industry's waste management and disposal practices within Alaskan waters. There were many groups involved, including the U.S. Coast Guard, Environmental Protection Agency (EPA), cruise industry representatives, various Alaskan tribes, environmental groups, and concerned Alaskans. It quickly became apparent that the concern first voiced by Alaskans was shared by many.

In a great display of solidarity, the regulatory agencies

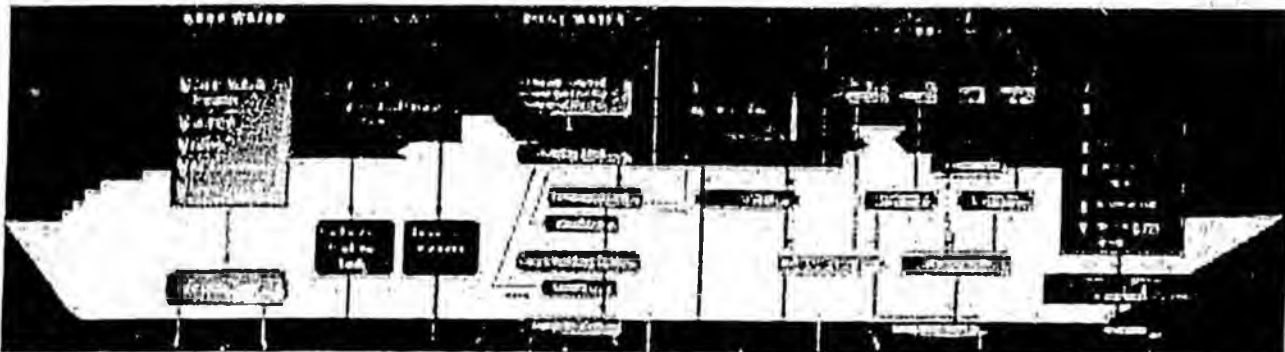


Figure 1: Different types of wastewater. Courtesy Alaska Department of Environmental Conservation.

tion regarding the type of wastewater being discharged (Figure 1), but also the location and quantity of the discharges. With the passing of the various regulations, this information is now effectively captured and monitored. Specifically, the state's CPVEC program requires that each ship maintain comprehensive records of its wastewater discharges. Included in these records are the amount and types of pollutants being discharged.

Understandably, there is some overlap between the federal and state requirements, so ADEC (specifically, its CPVEC program staff) and the Coast Guard work together closely. For example, if a ship plans to discharge in Alaskan waters, it must provide both ADEC and the Coast Guard with a vessel specific sampling plan (VSSP). The VSSP contains the intended sampling techniques and analytical testing methods of the ship's discharge; it must demonstrate that samples will be representative of the wastewater discharged from that specific ship.

According to Ms. Moana Leirer, an environmental program specialist with ADEC, large cruise ships—which are defined by Alaskan law as 250+ passengers and federal law as 500+ passengers—have one of three options for wastewater discharge that must first be approved by the CPVEC program. These ships can:

1. hold their wastewater, discharging it outside of Alaskan waters (wastewater is therefore not sampled);
2. discharge their wastewater once they are at least one nautical mile from shore and traveling at least six knots (wastewater samples are required and must meet certain effluent standards); or
3. operate advanced wastewater treatment systems that are certified by the Coast Guard for continuous discharge.

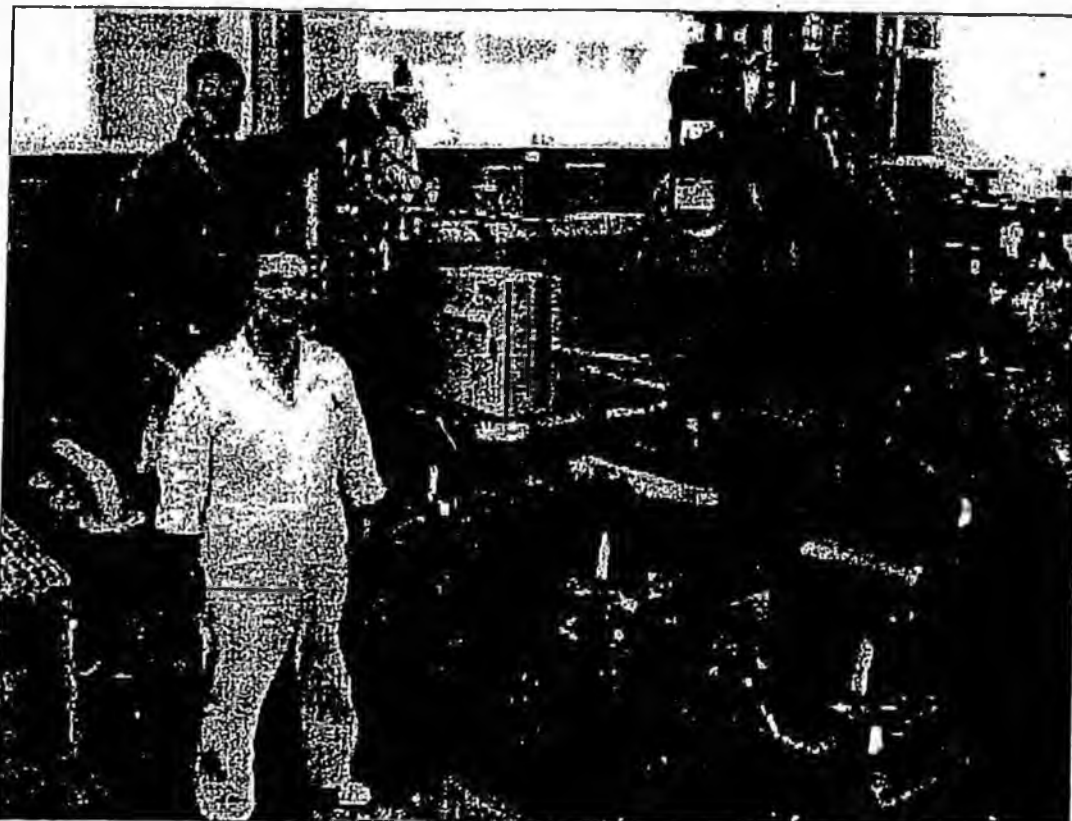


Figure 3: Scanship advanced wastewater treatment system on a Norwegian Cruise Line vessel. Pictured are two shipboard marine engineers charged with running the system. Courtesy Norwegian Cruise Lines.

A continuous discharge of wastewater, allowed by option three, initially sounds contradictory to the environmental concerns that provided the impetus for the many wastewater discharge regulations. However, the advanced wastewater treatment systems employed with this option are discharging some of the cleanest wastewater ever seen.

Advanced Wastewater Treatment Systems

In addition to the great partnership forged between the regulatory agencies and industry for this massive environmental cleanup, the second part of this success story is the technology that has been developed to improve the wastewater itself. While the regulations were first being formed, many of the cruise ship companies were already evaluating several advanced wastewater treatment systems. These included chemical treatment and mechanical decanting, activated oxidation and oxidant disinfection, reverse osmosis filtration, and bio-reactor/filtration.

Today, while some employ a reverse osmosis filtration system, the majority of cruise ships are using various combinations of enhanced bio-reactor/filtration systems. There are currently four basic designs from dif-

NWCA's QA/QCP Program Organization Chart

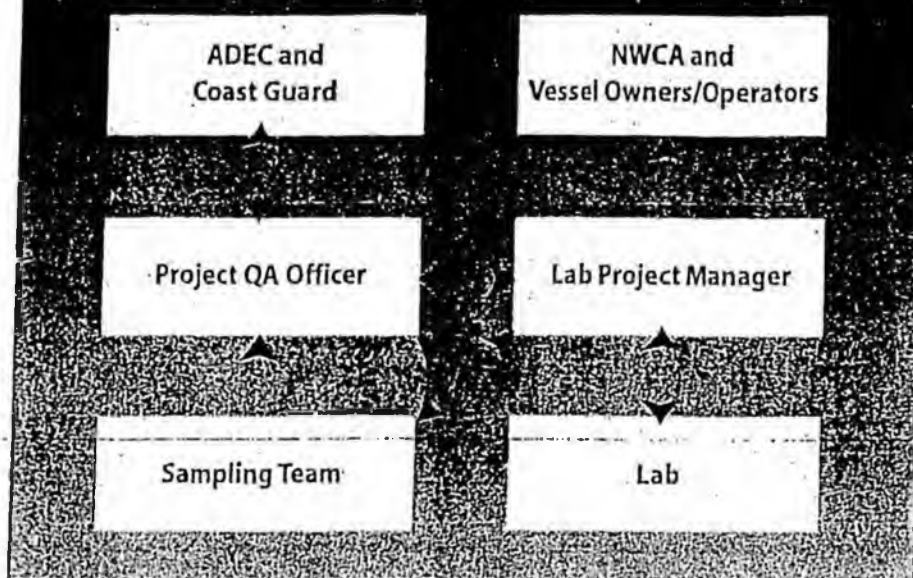


Figure 4: North West Cruise Ship Association's QA/QCP organization chart. Courtesy North West Cruise Ship Association.

set of sampling standards and lab analysis. According to Mr. Wetzel, reliable and representative samples are crucial to achieving valid readings. Therefore, specific sample collection procedures are detailed in each QA/QCP and each ship's VSSP is also submitted to the sampling team. With all groups working from the same documents, there is a stronger certainty that consistent sampling methods are followed and that samples are collected from appropriate and representative locations.

The Coast Guard also verifies installation of the sampling ports on the ships and reviews operations of the advanced wastewater treatment systems during their annual vessel examinations. Additional verification occurs during sampling events because exactness is vital to obtaining a true reading. For example, if a sample port is located too close to certain equipment, then the wastewater has not had a chance to mix before discharging and can produce a tainted sample.

While a third-party sampler takes all the required wastewater samples, it is the responsibility of the ship owner or operator to submit a report on the analytical results of sampling. The sampling analytical report must include the following:

1. date, time, and onboard location where each sample was collected;

2. sampling technique and analytical testing method used for each sample;
3. quality assurance and quality control analysis of the sampling, analytical testing, and analytical data;
4. analytical results;
5. any deviation from the approved plans submitted under 18 AAC 69;
6. type of wastewater sampled; and
7. if necessary, a notification that re-sampling is occurring.¹

All sample analysis results are submitted by the independent labs directly to the Coast Guard and are reviewed to ensure that each ship is actually meeting all the requirements. The information is later released by ADEC. While sam-

ples do occasionally fall out of range, a compliance scheme allows the Coast Guard to average samples to ensure a ship meets compliance on a monthly basis versus an individual sampling event. Since the QA/QCP's inception in 2002, there has been an average of only one bad sample every two months, but these bad samples are usually later shown to have been tainted.

While it may sound confusing, the primary goal of a QA/QCP is to keep wastewater discharge as clean and pollutant-free as possible. In fact, NWCA's QA/QCP tests for 250 different pollutants, substantially more than the 16 pollutant tests required by the Coast Guard.

Other States Implement Alaska's Standards

Alaska's success story has traveled far, including to such distant states as Maine, Washington, and Hawaii. In a great example of knowing when not to reinvent the wheel, the state of Maine essentially adopted the Coast Guard's existing regulations for Alaska (33CFR159, Subpart E) with only two noticeable changes: substituting "Maine" for "Alaska" and "State of Maine Department of Conservation" for "Coast Guard Captain of the Port." Regulations in Washington have also adopted many of Alaska's regulations but require additional record keeping requirements. Officials in Hawaii are currently working on



Assessment of Cruise Ship and Ferry Wastewater Impacts in Alaska

Alaska Department of Environmental Conservation

Commercial Passenger Vessel Environmental Compliance Program

February 9, 2004

Risk Characterization

ADEC expects that only large cruise ships with advanced wastewater treatment systems will discharge wastewater in Alaska in the future. WET testing results and a comparison of sample results with Alaska Water Quality Standards indicate that the effluent from these advanced systems is not expected to cause toxicity to the marine environment. No human health risk is posed by the low concentration of tested pollutants found in wastewater samples.

The wastewater samples indicate that hazardous materials are not being discharged through these wastewater treatment systems.

Most organisms need some minimum concentration of zinc to function properly. Toxicity of zinc to an organism depends on feeding habits. Plants and most fish would not be adversely affected, but many invertebrates could be affected by ingestion of sufficient quality of particulates containing zinc. The toxicity of zinc, as well as other metals, is reported to be influenced by a number of chemical factors including cadmium, magnesium, hardness, pH, and ionic strength. These factors appear to affect the toxicity of zinc by influencing the proportion of available zinc or by inhibiting the sorption or binding available by biological tissues. Alaska has a water quality standard of 81.0 µg/L of dissolved zinc in saltwater based on chronic effects to aquatic life.

As with copper, zinc is an essential element in humans at low doses. Human ingestion of zinc is generally not a concern. The Recommended Daily Allowances for adults is 15 mg/day.⁹⁸

7.2. Cumulative Impact

Large Ships

Since the passage of the Alaska cruise ship laws, large cruise ships installed advanced wastewater treatment systems that meet the stringent U.S. Coast Guard requirements for continuous discharge. The quality of the wastewater on large ships has therefore improved dramatically. During 2003, all the large cruise ships that discharged wastewater in Alaska had these advanced systems. Ships that did not have advanced systems discharged outside 3 nautical miles. The 2003 data is the most representative of the wastewater quality that ADEC expects in the future. Therefore, we will focus on the risks presented by the 2003 data.

In 2003, ships were sampled for 16 conventional pollutants and 160 priority pollutants. The vast majority of these pollutants were not detected. Only ammonia, copper, nickel, and zinc did not regularly meet Alaska Water Quality Standards at the end of pipe (Table 10).

The Science Advisory Panel concluded in *The Impact of Cruise Ship Wastewater Discharge on Alaska Waters* that effluent from a typical large ship will be diluted by a factor of at least 50,000 during underway discharge.⁹⁹ By applying this dilution factor, the concentration of all pollutants would meet Alaska Water Quality Standards in the receiving water during underway discharge.

ADEC was concerned about the impacts on the receiving water caused by stationary wastewater discharge. In order to address this issue, ADEC calculated the dilution factor during stationary discharge for each large ship during a worst case scenario. (See Appendix D Cruise Ship Stationary Discharge Modeling for more information.) The lowest dilution value for each effluent type was then used to calculate the anticipated concentration of each pollutant in receiving water during stationary discharge (Table 11). After applying the dilution factor, no tested pollutant would exceed Water Quality Standards.

Whole Effluent Toxicity (WET) testing was done in 2003 on 4 of the 18 large ships that discharged in Alaska. Test results indicate that wastewater effluent from large ships with advanced wastewater treatment systems does not pose a risk to aquatic organisms, even

⁹⁸ EPA 440/5-80-079 October 1980 Ambient Water Quality Criteria for Zinc.

⁹⁹ Science Advisory Panel "The Impact of Cruise Ship Wastewater Discharge on Alaska Waters," November 2002
<http://www.water.ak.usdec/press/pressbox/wateris/impaw/dilutionwastewater.htm>

during stationary discharges. ADEC will continue WET testing on the advanced wastewater treatment systems during 2004. This test gives insight into the wastewater's effect on marine organisms. This test indicates that exceedances of ammonia, copper, nickel and zinc Water Quality Standards at the end of pipe are not harming aquatic life.

None of the pollutants mentioned above are present in concentrations should cause risks to human health.

Small Ships

ADEC reviewed data collected from small commercial passenger vessels from 2001 through 2003. These ships have not installed new wastewater treatment systems on their vessels and the effluent quality has remained relatively consistent.

During the evolution of the sampling protocol, pollutants have been added and deleted as appropriate. In 2003, ships were sampled for 16 conventional pollutants and 160 priority pollutants. The vast majority of these pollutants were not detected. The eight (8) pollutants that did not regularly meet Alaska Water Quality Standards at the end of pipe are included in Table 15.

The Science Advisory Panel concluded that the dilution factor caused by the underway discharge by a small ship would be based on the width, draft, and speed of the vessel divided by the discharge rate and multiplied by a factor of 3.¹⁰⁰ With the aid of this dilution, we would expect all pollutants to meet Alaska Water Quality Standards during underway discharge.

ADEC was concerned about the impacts on the receiving water caused by stationary wastewater discharge. In order to address this issue, ADEC calculated the dilution factor caused by stationary discharge for each small ship during a worst case scenario. (See Appendix D Cruise Ship Stationary Discharge Modeling for more information.) The lowest dilution value for each effluent type was then used to calculate the expected concentration of each pollutant in receiving water during stationary discharge (Table 16). Even with the benefit of dilution, we predict the stationary discharge of wastewater from small ships contain concentrations of free chlorine, fecal coliform, copper, and zinc that exceed Alaska Water Quality Standards.

The marine environment is very sensitive to the concentrations of free chlorine. In fact the water quality standards are below the methods of detection for chlorine. The concentration of chlorine in mixed blackwater and graywater during 2002 was found in excess of 100 times the Alaska Water Quality Standards. The predicted concentration of chlorine from this discharge was 10 times the standard in receiving water and therefore did pose a risk to aquatic life during stationary discharges.

The fecal coliform concentrations in receiving water indicate that it is important for these ships to avoid anchoring in areas used for shellfish aquaculture or areas frequently used for subsistence and recreational shellfish harvesting. Most of the shellfish farms in Southeast Alaska are located between Ketchikan and Petersburg. ADEC evaluated the small ship routes and the location of

¹⁰⁰ The Science Panel has developed a formula for predicting dilution/dispersion in the wake of small cruise ships.
Dilution factor = $3 \times (\text{ship width} \times \text{ship draft} \times \text{ship speed}) / (\text{volume discharge rate})$
<http://www.state.ak.us/dec/arc/cruise/documents/impact/dilutionwastewater.htm>

-CFR Data is current as of August 4, 2005

Title 33: Navigation and Navigable Waters

[Browse Previous](#)

PART 159—MARINE SANITATION DEVICES

Section Contents

Subpart A—General

- § 159.1 Purpose.
- § 159.3 Definitions.
- § 159.4 Incorporation by reference.
- § 159.5 Requirements for vessel manufacturers.
- § 159.7 Requirements for vessel operators.

Subpart B—Certification Procedures

- § 159.11 Purpose.
- § 159.12 Regulations for certification of existing devices.
- § 159.12a Certification of certain Type III devices.
- § 159.14 Application for certification.
- § 159.15 Certification.
- § 159.16 Authorization to label devices.
- § 159.17 Changes to certified devices.
- § 159.19 Testing equivalency.

Subpart C—Design, Construction, and Testing

- § 159.51 Purpose and scope.
- § 159.53 General requirements.
- § 159.55 Identification.
- § 159.57 Installation, operation, and maintenance instructions.
- § 159.59 Placard.
- § 159.61 Vents.
- § 159.63 Access to parts.
- § 159.65 Chemical level indicator.
- § 159.67 Electrical component ratings.
- § 159.69 Motor ratings.
- § 159.71 Electrical controls and conductors.
- § 159.73 Conductors.

- § 159.75 Overcurrent protection.
- § 159.79 Terminals.
- § 159.81 Baffles.
- § 159.83 Level indicator.
- § 159.85 Sewage removal.
- § 159.87 Removal fittings.
- § 159.89 Power interruption: Type I and II devices.
- § 159.93 Independent supporting.
- § 159.95 Safety.
- § 159.97 Safety: inspected vessels.
- § 159.101 Testing: general.
- § 159.103 Vibration test.
- § 159.105 Shock test.
- § 159.107 Rolling test.
- § 159.109 Pressure test.
- § 159.111 Pressure and vacuum pulse test.
- § 159.115 Temperature range test.
- § 159.117 Chemical resistance test.
- § 159.119 Operability test; temperature range.
- § 159.121 Sewage processing test.
- § 159.123 Coliform test: Type I devices.
- § 159.125 Visible floating solids: Type I devices.
- § 159.126 Coliform test: Type II devices.
- § 159.126a Suspended solids test: Type II devices.
- § 159.127 Safety coliform count: Recirculating devices.
- § 159.129 Safety: Ignition prevention test.
- § 159.131 Safety: Incinerating device.

Subpart D—Recognition of Facilities

- § 159.201 Recognition of facilities.

Subpart E—Discharge of Effluents in Certain Alaskan Waters by Cruise Vessel Operations

- § 159.301 Purpose.
- § 159.303 Applicability.
- § 159.305 Definitions.
- § 159.307 Untreated sewage.
- § 159.309 Limitations on discharge of treated sewage or graywater.
- § 159.311 Safety exception.
- § 159.313 Inspection for compliance and enforcement.
- § 159.315 Sewage and graywater discharge record book.
- § 159.317 Sampling and reporting.
- § 159.319 Fecal coliform and total suspended solids standards.
- § 159.321 Enforcement.

Authority: 33 U.S.C. 1322(b)(1); 49 CFR 1.45(b). Subpart E also issued under authority of sec. 1(a)(4), Pub. L. 106-554, 114 Stat. 2763; Department of Homeland Security Delegation No. 0170.1.

Source: CGD 73-83, 40 FR 4624, Jan. 30, 1975, unless otherwise noted.

Subpart A—General

top

§ 159.1 Purpose.

top

This part prescribes regulations governing the design and construction of marine sanitation devices and procedures for certifying that marine sanitation devices meet the regulations and the standards of the Environmental Protection Agency promulgated under section 312 of the Federal Water Pollution Control Act (33 U.S.C. 1322), to eliminate the discharge of untreated sewage from vessels into the waters of the United States, including the territorial seas. Subpart A of this part contains regulations governing the manufacture and operation of vessels equipped with marine sanitation devices.

§ 159.3 Definitions.

top

In this part:

Coast Guard means the Commandant or his authorized representative.

Discharge includes, but is not limited to, any spilling, leaking, pouring, pumping, emitting, emptying, or dumping.

Existing vessel includes any vessel, the construction of which was initiated before January 30, 1975.

Fecal coliform bacteria are those organisms associated with the intestine of warm-blooded animals that are commonly used to indicate the presence of fecal material and the potential presence of organisms capable of causing human disease.

Inspected vessel means any vessel that is required to be inspected under 46 CFR Ch. I.

Length means a straight line measurement of the overall length from the foremost part of the vessel to the aftermost part of the vessel, measured parallel to the centerline. Bow sprits, bumpkins, rudders, outboard motor brackets, and similar fittings or attachments are not to be included in the measurement.

Manufacturer means any person engaged in manufacturing, assembling, or importing of marine sanitation devices or of vessels subject to the standards and regulations promulgated under section 312 of the Federal Water Pollution Control Act.

Marine sanitation device and device includes any equipment for installation on board a vessel which is designed to receive, retain, treat, or discharge sewage, and any process to treat such sewage.

New vessel includes any vessel, the construction of which is initiated on or after January 30, 1975.

Person means an individual, partnership, firm, corporation, or association, but does not include an individual on board a public vessel.

Public vessel means a vessel owned or bare-boat chartered and operated by the United States, by a State



This PDF file is an excerpt from the EPA sampling report entitled *Sampling Episode Report - Holland America Veendam - Sampling Episode 6503* (March 2006). The full report can be downloaded from http://www.epa.gov/owow/oceans/cruise_ships/veendam.html

Sampling Episode Report Holland America Veendam Sampling Episode 6503

Executive Summary

March 2006

EXECUTIVE SUMMARY

Sampling Episode Report for Holland America Veendam

This Sampling Episode Report describes the sampling and analysis activities to characterize wastewater (graywater and sewage) generated and discharged by the cruise vessel Holland America Veendam while in Alaska waters. This sampling took place from June 20 through June 25, 2004, under the direction of the U.S. Environmental Protection Agency (EPA). The sampling program is part of EPA's data collection effort to evaluate whether to develop wastewater discharge standards, under 33 USC 1901 Note, for cruise vessels authorized to carry 500 or more passengers for hire when operating in the waters of the Alexander Archipelago or the navigable waters of the United States within the State of Alaska or within the Kachemak Bay National Estuarine Research Reserve. EPA will use information from the sampling of this vessel and three other cruise ships in Alaska to characterize wastewater generated and discharged by large cruise vessels with advanced wastewater treatment systems.

EPA selected the Holland America Veendam to characterize the performance of the Zenon Environmental Inc. membrane bioreactor treatment system, an advanced wastewater treatment system that uses aerobic biological oxidation followed by ultrafiltration and ultraviolet disinfection. Samples were collected of various wastewater sources (laundry, accommodations, food pulper, and galley wastewater); influent to the treatment system (combined graywater and sewage); influent to the ultraviolet (UV) disinfection component of the treatment system; effluent from the treatment system; source water; wastewater treatment residuals (screening solids and wastewater biosludge); and incinerator ash. Wastewater source samples were collected for a single 24-hour sampling period, while samples of the influent to and effluent from the treatment system were collected for five consecutive 24-hour sampling periods.

Strap-on ultrasonic flow meters were installed near the sampling locations for laundry wastewater, influent to treatment, and effluent from treatment to collect flow data and, in some cases, to trigger automatic sampling machines. In addition, flow data were collected from the Veendam's in-line flow meters installed on the graywater and sewage feeds to the treatment

system (which, combined, represent the influent to the treatment system) and on the effluent from the treatment system.

Various sample collection methods (composite by flow, composite by time, grab, and grab composite) were used depending on the sampling point and analyte. Tested analytes included pathogen indicators (fecal coliform, *E. coli*, enterococci), classical pollutants, total and dissolved metals, volatile and semivolatile organics, pesticides, polychlorinated biphenyls, and dioxins and furans. Not all samples were analyzed for all target analytes.

The food pulper wastewater samples showed the highest concentration among graywater sources for the majority of analytes, most notably *E. coli* and enterococci, oil and grease, nutrients, and solids. Accommodations wastewater samples had the highest concentration for 11 of the analytes, including fecal coliform, organics, and several metals. Laundry wastewater samples showed the highest concentration for five analytes, including alkalinity and several dissolved metals.

Because of water conservation measures onboard cruise ships (such as vacuum toilets), key analytes such as pathogen indicators, biochemical oxygen demand (BOD₅), chemical oxygen demand (COD), and total suspended solids (TSS) are found at much higher concentrations in the influent to the Veendam wastewater treatment system than in typical domestic wastewater. Of the 54 metal analytes tested for, 27 were detected in every influent to treatment system sample. Among the 365 target analytes for volatile and semivolatile organics, pesticides, and polychlorinated biphenyls, only 9 were detected in any influent to treatment samples, most at concentrations close to their detection limits.

The Zenon treatment system successfully removed almost all pathogen indicators (>99%) and most classical pollutants, metals, and organics. Two pathogen indicators, fecal coliform and *E. coli*, were not detected in any of the 15 effluent treatment samples, while one indicator, enterococci, was detected in 2 samples at close to the detection limit. The treatment system removed almost all BOD₅ (>99%), COD (97%), total organic carbon (TOC) (93%), settleable residue (>99%) and TSS (>99%). The treatment system reduced ammonia, total

Kjeldahl nitrogen (TKN, which measures both ammonia and organic forms of nitrogen), and total phosphorus by approximately 75%, while nitrate/nitrite levels remained relatively unchanged. The treatment system was highly efficient at removing particulate metals, and removed dissolved metals at an average of 37%. The treatment system removed most of the volatile and semivolatile organics to concentrations below detection levels.

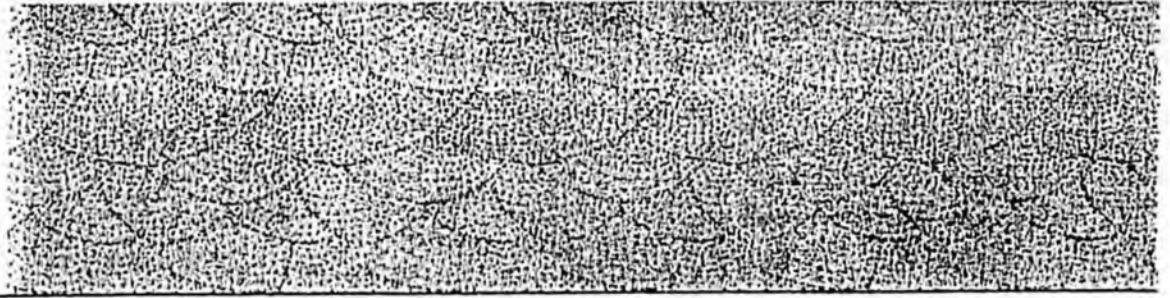
The Zenon wastewater treatment system generates two types of residual waste: screening solids (from two coarse screens at the beginning of the treatment system) and waste biosludge (excess biological mass from the treatment system's bioreactor). Screening solids are collected monthly for disposal on shore. Waste biosludge is pumped to a double-bottom holding tank for overboard discharge outside of 12 nautical miles from shore. Most of the analytes detected in these residual wastes were also detected in the influent to the treatment system. For many analytes, concentrations in the screening solids and waste biosludge exceeded those in the influent to treatment, suggesting that these analytes are removed from the system in these waste streams.

On average, each person generated approximately 62 gallons of untreated sewage (17 gallons) and graywater (45 gallons) per day. The average discharge from the treatment system was approximately 58 gallons of treated wastewater per person per day.

Summary of CDC Health Inspections
Cruise Ships Operating in Alaska

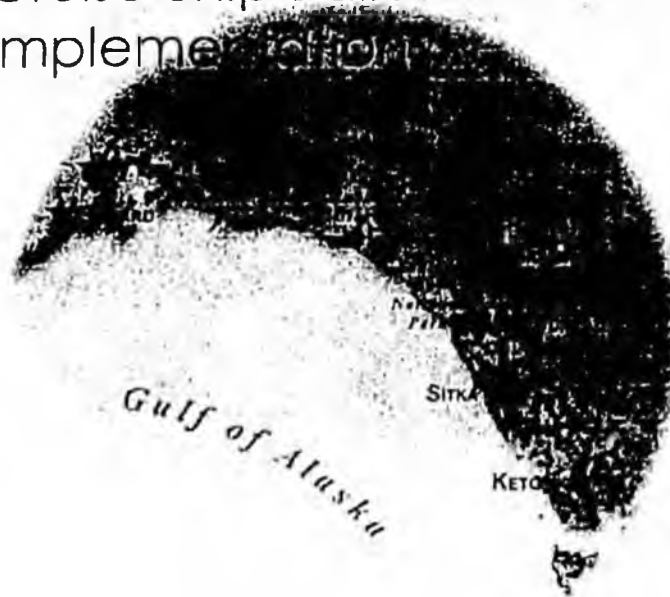
Cruise Ships Of Major Cruise Lines Operating in Alaska / 2006	Number of Inspections / Time Period	Failed Inspections
Carnival Spirit	13 inspections / 6 year time period	0
Infinity	12 inspections / 6 year time period	0
Mercury	19 inspections / 10 year time period	0
Summit	11 inspections / 7 year time period	0
Oosterdam	7 inspections / 4 year time period	0
Ryndam	26 inspections / 14 year time period	0
Statendam	30 inspections / 14 year time period	2 failed inspections both of which occurred in 1993 ship first put into service. No failed inspections since 1993.
Veendam	23 inspections / 12 year time period	0
Volendam	15 inspections / 7 year time period	0
Westerdam	5 inspections / 3 year time period	0
Zaandam	15 inspections / 8 year time period	0
Zuiderdam	9 inspections / 5 year time period	0
Norwegian Star	11 inspections / 6 year time period	0
Norwegian Sun	11 inspections / 6 year time period	0
Norwegian Wind	28 inspections / 15 year time period	0
Coral Princess	9 inspections / 4 year period	0
Dawn Princess	23 inspections / 11 year period	0
Diamond Princess	7 inspections / 4 year period	0
Island Princess	8 inspections / 4 year period	0
Regal Princess	33 inspections / 16 year period	2 failed inspections, no failed inspections since 1994.
Sapphire Princess	5 inspections / 3 year period	0

Sun Princess	23 inspections / 11 year period	0
Seven Seas Mariner	13 inspections / 6 year period	1 failed inspection, no failed inspection since 2001.
Radiance of the Seas	13 inspections / 6 year period	0
Serenade of the Seas	8 inspections / 4 year period	0
Silver Shadow	8 inspections / 6 year period	0
Vision of the Seas	18 inspections / 10 year period	0
27 Ships	Total: 403 inspections	Total failed inspections: 5



Commercial Passenger Vessel Environmental Compliance Program Technical Assistance

Ocean Ranger Program
Cruise Ship Ballot Measure
Implementation



March 7, 2007

Prepared on behalf of the
Alaska Department of Environmental Conservation

Submitted by:

3300 Foster Avenue
Juneau, Alaska 99801

Ocean Ranger Program Implementation

Table 4A: Estimated Costs to Deploy One Ocean Ranger on Each Ship for Options 1-4 (Based on 2006 Season)

Week of	Number of Ships in Alaska	Option 1: Ride Continuously	Option 2: Embark & Disembark at Canadian Pilot Station	Option 3: Board/Disembark at First/Last Alaska Pilot Station	Option 4: Board/Disembark at First/Last Alaska Port of Call
4/30/2006	1	\$ 5,200.00	\$ 9,000.00	\$ 6,900.00	\$ 4,650.00
5/7/2006	5	\$ 26,000.00	\$ 45,000.00	\$ 34,500.00	\$ 23,250.00
5/14/2006	18	\$ 93,600.00	\$ 162,000.00	\$ 124,200.00	\$ 83,700.00
5/21/2006	24	\$ 124,800.00	\$ 216,000.00	\$ 165,600.00	\$ 111,600.00
5/28/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
6/4/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
6/11/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
6/18/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
6/25/2006	27	\$ 140,400.00	\$ 243,000.00	\$ 186,300.00	\$ 125,550.00
7/2/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
7/9/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
7/16/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
7/23/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
7/30/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
8/6/2006	27	\$ 140,400.00	\$ 243,000.00	\$ 186,300.00	\$ 125,550.00
8/13/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
8/20/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
8/27/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
9/3/2006	27	\$ 140,400.00	\$ 243,000.00	\$ 186,300.00	\$ 125,550.00
9/10/2006	25	\$ 130,000.00	\$ 225,000.00	\$ 172,500.00	\$ 116,250.00
9/17/2006	18	\$ 93,600.00	\$ 162,000.00	\$ 124,200.00	\$ 83,700.00
9/24/2006	7	\$ 36,400.00	\$ 63,000.00	\$ 48,300.00	\$ 32,550.00
Season Total		\$ 2,490,800.00	\$ 4,311,000.00	\$ 3,305,100.00	\$ 2,227,350.00

Table 4B: Estimated Costs to Deploy Ocean Rangers for Cruise Season Using Options 5 and 6

	Option 5: Ride Randomly Selected Legs (Port to Port) of a Cruise Ship Voyage	Option 6: Inspect Vessels While in Port
Number of Ocean Rangers deployed	10	6-8
Cost per Week	\$52,000.00	\$25,200.00 - \$33,600.00
Cost for Season (20 weeks)	\$1,040,000.00	\$504,000.00 - \$672,000.00

SEVEN SEAS MARINER – 2007 SAILING DATES

DEPARTURE DATE	NIGHTS	FROM/TO	MASTER SUITE	GRAND SUITE	MARINER SUITE	SEVEN SEAS SUITE	HORIZON SUITE	A PENTHOUSE	B PENTHOUSE	C PENTHOUSE	DELUXE SUITE D	DELUXE SUITE E	DELUXE SUITE F	DELUXE SUITE G	DELUXE SUITE H
May 12	11	San Francisco, At Sea, Astoria, Seattle, Cruise the Inside Passage, Prince Rupert, Cruise the Inside Passage, Cruise Tracy Arm, Skagway, Juneau, Sitka, Cruise the Inside Passage, Vancouver	'17,487	'15,122	'11,657	'9,897	'7,862	'7,587	'7,422	'6,982	'5,387	'5,222	'4,947	'4,672	'4,397
May 23	7	Vancouver, Cruise the Inside Passage, Ketchikan, Cruise Tracy Arm, Juneau, Skagway, Sitka, Cruise Hubbard Glacier, Seward (Anchorage)	'14,557	'12,607	'9,682	'8,252	'6,497	'6,302	'6,172	'5,782	'4,482	'4,352	'4,157	'3,897	'3,697
May 30	7	Seward (Anchorage), Cruise Hubbard Glacier, Sitka, Cruise Tracy Arm, Juneau, Skagway, Ketchikan, Cruise the Inside Passage, Vancouver	'14,557	'12,607	'9,682	'8,252	'6,497	'6,302	'6,172	'5,782	'4,482	'4,352	'4,157	'3,897	'3,697
June 6, 20; July 4; August 15	7	Vancouver, Cruise the Inside Passage, Ketchikan, Cruise Tracy Arm, Juneau, Skagway, Sitka, Cruise Hubbard Glacier, Seward (Anchorage)	'15,677	'13,577	'10,427	'8,887	'6,997	'6,787	'6,647	'6,227	'4,827	'4,687	'4,477	'4,197	'3,987
June 13, 27; August 22	7	Seward (Anchorage), Cruise Hubbard Glacier, Sitka, Cruise Tracy Arm, Juneau, Skagway, Ketchikan, Cruise the Inside Passage, Vancouver	'15,677	'13,577	'10,427	'8,887	'6,997	'6,787	'6,647	'6,227	'4,827	'4,687	'4,477	'4,197	'3,987
July 11, 25; August 8	7	Seward (Anchorage), Cruise Hubbard Glacier, Sitka, Cruise Tracy Arm, Juneau, Skagway, Ketchikan, Cruise the Inside Passage, Vancouver	'16,796	'14,546	'11,171	'9,521	'7,496	'7,271	'7,121	'6,671	'5,171	'5,021	'4,796	'4,496	'4,271
July 18, August 1	7	Vancouver, Cruise the Inside Passage, Ketchikan, Cruise Tracy Arm, Juneau, Skagway, Sitka, Cruise Hubbard Glacier, Seward (Anchorage)	'16,796	'14,546	'11,171	'9,521	'7,496	'7,271	'7,121	'6,671	'5,171	'5,021	'4,796	'4,496	'4,271
August 29	7	Vancouver, Cruise the Inside Passage, Ketchikan, Cruise Tracy Arm, Juneau, Skagway, Sitka, Cruise the Inside Passage, Vancouver	'14,557	'12,607	'9,682	'8,252	'6,497	'6,302	'6,172	'5,782	'4,482	'4,352	'4,157	'3,897	'3,697
September 5	7	Vancouver, Cruise the Inside Passage, Ketchikan, Cruise Tracy Arm, Juneau, Skagway, Sitka, Cruise Hubbard Glacier, Seward (Anchorage)	'14,557	'12,607	'9,682	'8,252	'6,497	'6,302	'6,172	'5,782	'4,482	'4,352	'4,157	'3,897	'3,697
September 12	14	Seward (Anchorage), Kodiak, Cruise Shelikof Strait, Dutch Harbor, Cruise the Aleutian Islands, Cross the International Dateline, Petropavlovsk, Cruise Kuni Islands, Cruise the Sea of Okhotsk, Hakodate, Sendai, Yokohama (Tokyo), Osaka (overnight)	'20,349	'17,752	'14,890	'11,922	'9,484	'9,272	'8,901	'8,318	'6,622	'6,357	'5,039	'5,668	'5,297

Fares are cruise only, per person, double occupancy and do not include air, port, handling and security charges or NAFTA fees. Fares shown are Early Booking Savings and may not reflect current promotional offers. Please contact your travel professional or visit our website at www.TheRegentExperience.com for special offers and promotions. Air and fuel charges may apply at the discretion of RSCC.

SPECIAL PROGRAMS

SPECIAL GUEST-JEAN-MICHEL COUSTEAU

On September 12 sailing.

JEAN-MICHEL COUSTEAU'S OCEAN FUTURES SOCIETY LECTURER PROGRAM

On May 12, September 5 and September 12 sailings.

CLUB MARINER YOUTH PROGRAM



HB

166

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: CS118168-STA-DOR-PFD-4-2-07

Bill Version: HB 166

() Publish Date: _____

Revisor, Date/Time (Note if correction): _____

Dept. Affected: Revenue

Title PFD Charitable giving

RDU Revenue Programs & Support

Component Permanent Fund Dividend

Sponsor Thomas

Requester House Finance

Component No. 981

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	76.1	38.1	38.1			
Travel	4.2	2.0	2.0			
Contractual	238.9	49.8	49.8			
Supplies	1.1	1.1	1.1			
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	320.3	91.0	91.0	0.0	0.0	0.0

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

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Statutory Program Receipts	320.3	91.0	91.0			
TOTAL	320.3	91.0	91.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 45.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	1					
Part-time		1	1			
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the department to set up and administer a program in which PFD applicants who apply online can assign part or all of their dividend each year to one or more educational, charitable or community foundation organizations. The list of such organizations will be established through an application process according to criteria established in the bill. Appeals are anticipated from organizations whose applications to be listed are denied. The department has been given the estimate of over 2000 organizations that may apply and about 750 that may be eligible. The program will be effective beginning with the 2008 dividend with a temporary application process for that startup year only. Regulations will be done to be effective for the 2009 cycle. The program will sunset after the 2010 dividend. (continued on page 2)

Prepared by: Amy Skow, Division Manager

Phone 907 465-4784

Division Permanent Fund Dividend

Date/Time 3/15/2007 10:30 a.m.

Approved by: Jerry Burnett

Date 4/2/2007

Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. HB 166

ANALYSIS CONTINUATION

In order to implement this program for the 2008 cycle, work must begin in 2007. 2007 costs are reflected in the operating expenditures listed above and noted on the "Estimate of any current year cost" line. Estimated costs of work to be done by the agent are not listed on this fiscal note because they will be paid directly by Rasmussen Foundation.

HB166 states specifically that implementation and administrative costs for this bill will not come from either the charitable contributions or the Permanent Fund itself. Accordingly, the Fund Source for expenses listed within this fiscal note is assumed to be the General Fund.

Cost summary:

100	Personal Services		76.1
	1 full time position, salary basis Program Coordinator, Contract administration (program administration and *computer programming contracts)		
	Review agent's recommendations for approved organizations		
	Develop regulations		
	Respond to applicant questions and requests to withdraw/change designations, trout fishshoot problems		
	Accounting and payments		
200	Travel		4.2
300	***Contractual		283.9
	*Mainframe, server, and web application changes	220.0	
	*Department of Law - regulations	5.5	
	*Regulations - public notice	1.1	
	** Printing - two additional pages to application booklet; distribution letters to participants (1099)	11.0	
	**Postage - increased postage for application booklets and distribution letters to participants	27.5	
	Data storage and computer services	2.7	
	1-800 phone calls	1.1	
	OAH Hearing costs (100 hours x \$150/hr)	15.0	
400	Supplies		1.1
	Total		\$ 365.3
	FY 2007 expenses		(45.0)
	Total		\$ 320.3

*One time cost
 ** Print and postage cost for 1099 based on 50,000 participants
 ***Anticipated costs for appeals (7.5) are added to contractual in years 2 and 3.

*adopted
4/3/07*

Conceptual Amendment 3
By Hawker

Add a new section

"It is the intent of the legislature that the department does its absolute best to accomplish the requirements of the bill for the 2008 dividend distribution. However, the legislature recognizes that if there are insurmountable technical impediments to achieving that date that the effective [applicability] dates would shift back one year: 2009, 2010, and 2011.

[In the event that the applicability date is shifted, the sunset date should also be shifted].

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 166(STA)
(H) Publish Date: 3/26/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title PFD Charitable giving RDU Revenue Programs & Support
Component Permanent Fund Dividend
Sponsor Thomas
Requester House State Affairs Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	76.1	38.1	38.1			
Travel	4.2	2.0	2.0			
Contractual	238.9	49.8	49.8			
Supplies	1.1	1.1	1.1			
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	320.3	91.0	91.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	320.3	91.0	91.0			
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Statutory Program Receipts						
TOTAL	320.3	91.0	91.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 45.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	1				
Part-time		1	1		
Temporary					

ANALYSIS: (Attach a separate page if necessary)

This bill requires the department to set up and administer a program in which PFD applicants who apply online can assign part or all of their dividend each year to one or more educational, charitable or community foundation organizations. The list of such organizations will be established through an application process according to criteria established in the bill. Appeals are anticipated from organizations whose applications to be listed are denied. The department has been given the estimate of over 2000 organizations that may apply and about 750 that may be eligible. The program will be effective beginning with the 2008 dividend with a temporary application process for that startup year only. Regulations will be done to be effective for the 2009 cycle. The program will sunset after the 2010 dividend. (continued on page 2)

Prepared by: Amy Skow, Division Manager Phone 907 465-4784
Division Permanent Fund Dividend Date/Time 3/19/2007 10:30 a.m.
Approved by: Jerry Burnett Date 3/19/2007
Agency Department of Revenue

FISCAL NOTE #1

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSHB 166(STA)

ANALYSIS CONTINUATION

In order to implement this program for the 2008 cycle, work must begin in 2007. 2007 costs are reflected in the operating expenditures listed above and noted on the "Estimate of any current year cost" line. Estimated costs of work to be done by the agent are not listed on this fiscal note because they will be paid directly by Rasmussen Foundation.

HB166 states specifically that implementation and administrative costs for this bill will not come from either the charitable contributions or the Permanent Fund itself. Accordingly, the Fund Source for expenses listed within this fiscal note is assumed to be the General Fund.

Cost summary:

100	Personnel Services		76.1
	1 full time position, salary basis Program Coordinator, Contract administration (program administration and *computer programming contracts)		
	Review agent's recommendations for approved organizations		
	Develop regulations		
	Respond to applicant questions and requests to withdraw/change designations, troubleshoot problems		
	Accounting and payments		
200	Travel		4.2
300	***Contractual		283.9
	*Mainframe, server, and web application changes	220.0	
	*Department of Law - regulations	5.5	
	*Regulations - public notice	1.1	
	** Printing - two additional pages to application booklet; distribution letters to participants (1099)	11.0	
	**Postage - increased postage for application booklets and distribution letters to participants	27.5	
	Data storage and computer services	2.7	
	1-800 phone calls	1.1	
	OAH Hearing costs (100 hours @ \$150/hr)	15.0	
400	Supplies		1.1
	Total		\$ 365.3
	FY 2007 expenses		(45.0)
	Total		\$ 320.3

*One time cost
** Print and postage cost for 1099 based on 50,000 participants
***Anticipated costs for appeals (7.5) are added to contractual in years 2 and 3.



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us

webpage: www.akrepublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

FAX 907-465-2652

Sponsor Statement for HB 166 Permanent Fund Dividend Contributions

HB 166 is an attempt to increase private philanthropy in Alaska by giving people an option of donating a portion of their Permanent Fund Dividend check to their favorite charity. Alaskans who make \$100,000 or more, rank 49th or 50th in the nation as far as percentage of income donated to charities.

In the hustle and bustle of life, we often forget about those organizations who rely solely on donations and who provide important services to our communities. HB 166 allows for a list of approved organizations to be included with a person's PFD application and allows them to check off which charities that they would like to donate to. 100% of their donation will go to the charity. The simplicity of being able to simply check the desired charity while applying for one's PFD will increase the rate of donation and give these charities another avenue to use in their fundraising.

HB 166 also requires that the charity meet certain criteria before it can be placed on the list with the PFD applications. Among the criteria, the charity must be a University of Alaska campus, or provide vocational training or post secondary education, provide a positive youth development program, workforce development, aid to the arts, or aid and services to individuals who are: elderly, low-income, in emergency situations, disabled, or mentally ill.

The Rasmuson Foundation, a charitable foundation which makes \$25 million in grants each year to Alaska organizations, has pledged to fully fund the administrative costs of the program for the first three years of the program, creating a zero fiscal impact on the state in these crucial beginning years.

HB 166 gives people a simple and convenient way to donate to their favorite charities, who make a positive impact in our communities. I urge your support of this important piece of legislation.

March 6, 2007

Representative John Coghill, Jr.
House of Representatives
State Capitol Room 204
Juneau, Alaska 99801-1182

Dear John,

I very much appreciate your participation in the annual forum at the Fairbanks Arts Association each year and was glad to see that you are on the committee that is reviewing House Bill #166. I am writing to ask for your support for this bill, which would bring into action a mechanism for making charitable contributions by recipients of the permanent fund to qualifying non-profits.

Each year presents new opportunities and challenges. As you are aware, I have long been a champion of the non-profit arts organizations in the Interior. Our organizations are stellar in their dedication and commitment to their missions: bringing education and cultural services to the community in a way that cannot be met by state agencies.

This bill would help to create funds that would stabilize non-profit organizations in a way that should have happened years ago. We are small but mighty and our state would be poorer without the efforts of our cultural warriors, who make a positive and indelible imprint on the economy of our respective communities. I ask that you join me in championing our cause.

I am attaching a spread-sheet that will provide economic impact information for 15 of the Interior Arts Organizations that I represent in a consortium request to the City Bed Tax. I hope it will be helpful in your deliberations.

Thank you for your willingness to serve our community in Juneau.

Sincerely,

June Rogers
Executive Director

CC: Interior Delegation

First Alaskans  Institute

March 8, 2007

The Honorable Kyle Johansen
House State Affairs Committee
VIA FACSIMILE: 465-3793

Dear Representative Johansen:

As a volunteer member of the Foraker Group's Board of Directors, I'm writing today to ask for your support of House Bill 166 which would provide a much-needed boost to Alaska's non-profit sector and an easy way for Alaskans to make charitable donations to their favorite qualified non-profit.

Alaska's non-profits are important part of our state's social, cultural and economic fabric . . . their impact on the state's economy is significant. They help increase the quality of life for Alaskans and provide an incredible range of services in every corner of our state – from Metlakalla to Barrow. Non-profits in our state fill an important role in the state in that they oftentimes fill in the gaps for those services the state is not in a position to provide and, as you know, the demand for services continues to grow.

Approximately one in ten Alaska workers is employed by a non-profit which brings a total payroll of over \$1.151 billion dollars into our state's economy - 42,000 Alaskan jobs can be traced back to a public charity organization within this important sector of our economy.

As with any economic sector, many Alaska non-profits are doing more with less. But in the face of rising costs and fewer funds, Alaska non-profits aren't standing still, they're proactively looking for ways to build a sustainable line of funding which isn't solely dependent on state or federal funds. The non-profit I represent – First Alaskans Institute – provides leadership training for the next generation of Alaska Native leaders and houses the Alaska Native Policy Center which compliments research done by state and university agencies. As with other non-profits, we're continually looking for ways to diversity our funding base.

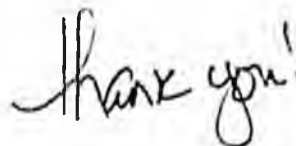
HB 166 is an important tool for Alaskans which will benefit non-profits by making it easier for individual Alaskans to make secure, individual charitable donations.

Thank you for the work you're doing in Juneau as a citizen legislator and thank you for your support of HB 166 and for supporting the important work of Alaska's non-profit sector.

Regards,



Janie Leask
President/CEO



Cc: Dennis McMillian, the Foraker Group

Representative Bill Thomas
State Capitol Room 434
Juneau, Alaska 99801

March 12, 2007

Dear Representative Thomas,

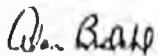
On behalf of Boys & Girls Clubs Board of Directors and professional staff, we are writing to extend Boys & Girls Clubs' support for House Bill 166, legislation designed to provide charitable contribution options for dividend-eligible Alaskans. As you are well aware, our organization has been operating youth development programs for 40 years. In 1998, we eagerly undertook a Statewide Expansion Initiative that has developed Clubhouses in 33 rural Alaskan communities. This initiative, combined with our steady expansion in urban communities, has broadened our total impact to 30,000 youth in 42 Alaskan communities.

Our members' challenges range from peer pressure to poor grades, hunger, abusive homes, or families stretched thin due to health issues. For every child that walks through a Clubhouse door, we listen, we comfort, we challenge and cheer. From Kotzebue to Metlakatla, the Club is open when and where kids need us most – and to wrap the very best staff and resources around one child for a year costs \$500.

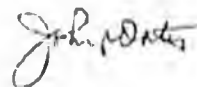
We are fortunate to have the perennial support of our congressional delegation, legislature, corporate and individual donors and a talented grant writing team – however, shrinking grant pools challenge our funding diversity. HB166 will demonstrate the state's commitment to ensure individuals have a convenient way to make meaningful charitable contributions.

Again, thank you for sponsoring this legislation. Boys & Girls Club appreciates your support of our programs and your commitment to Alaska's youth.

Sincerely,



Alan Budahl
Board of Directors, Chair



John P. Oates
President and Chief Executive



Main Office
2300 W 36th Avenue
Anchorage, Alaska 99517
Tel: 907-248-5437
Fax: 907-248-0047

President & CEO
John P. Oates
Tel: 907-770-7337
Fax: 907-770-7346
joates@bgcalaska.org

Board of Directors
Chair
Alan Budahl, Hilton Anchorage
Board Members
Patsy Aamodi, ASRC Energy Services
Nate Baer, Dynamic Properties
Terry Bailly, Veco Alaska Inc.
Roger Briley, Pepsi Cola Bottling Group Alaska
Nathan Brock, Alyeska Pipeline Service Company
Kristi Catlin, AT&T Alascom
Buzzy Chiu, Fountainhead Development
Carol Comeau, Anchorage School District
Chris Cromer
John Dedo, University of Alaska Anchorage
Johnny Ellis, Alaska State Senate
Mario Gatto, Fairbanks Northstar School District
Joel Gilbertson, Providence Health System
Cheri Gillian, First National Bank Alaska
Dick LaFever, Crossroads Leadership Institute
Tanguy Libbrecht, Sheraton Anchorage Hotel
Holly Lind, World Wide Technology
Elisha Martin, Dimond Center
Kristin Mellinger, ASRC Energy Services
Bill Moszaros, Pacific Alaska Forwarders Inc.
Kevin Meyer, Alaska House of Representatives
Scott Miller, KPMG
Blair Murphy, ConocoPhillips Alaska
Bryan Quinn, Capital Office Systems
Dixie Rotherford, Calista Corporation
Cathy Richter, Wells Fargo Bank N.A.
Dale Shaw, FedEx
Bon Stevens
Eileen Terwilliger, Ukpeagvik Inupiat Corp.
Rod Udd, Anchorage Chrysler Dodge
Mike Vasser, Coca Cola Alaska

Board of Trustees
President
Jim Brady, Marsh USA Inc.
Trustees
Hugh Ashlock, Dimond Center
Bob Baer, Dynamic Properties
Mick Brogan, Denali Alaskan Federal Credit Union
Walter J. Hinkel, Hinkel Investment Co.
Josh Jinnell, The Jewelry Cache
David G. Kolesky*, Horizon Lines
Andy Lohman*, Clear Channel Communication
Ed Rasmuson, Rasmuson Foundation
Robert Shake*, Northrim Bank
Mayor George Sullivan

* Past Chairs, Board of Directors

Investing in Alaska's most valuable resource - our children.


Alaska Public Offices Commission

 ANCHORAGE: (907) 276-4176
 JUNEAU: (907) 465-4864

APOC-IQ
 Info Quick

[State of Alaska](#) > [Departments](#) > [Administration](#) > [APOC](#) > [Advisory Opinion Menu](#)
**FREQUENTLY ASKED QUESTIONS
 ABOUT BALLOT GROUPS**
1. What is a ballot group?

Under the Alaska Campaign Disclosure law, a "group" is two or more individuals who act jointly to influence the outcome of an election of a state or municipal candidate or ballot measure. (AS 15.13.400(5)(B))

A ballot group may be formed to

- * sponsor an initiative, referendum, or recall.
- * support or oppose an initiative, referendum, recall or constitutional amendment.
- * campaign to determine whether a constitutional convention shall be called, a debt shall be contracted, an advisory question shall be approved or whether a municipality shall be incorporated. (AS 15.13.065 and AS 15.60.010)

2. What are the requirements of ballot groups under the Campaign Disclosure Law?

Ballot groups must:

- * register with the APOC;
- * file periodic Campaign Disclosure Reports; and
- * identify all political communications with a "paid for by" statement.

3. When does a ballot group need to register with the APOC?
Initiative stage

When a ballot group has formed to sponsor an initiative, referendum or recall, the group must register with the Commission 30 days after its first filing with the Lieutenant Governor. "First filing" means the date the group first files, with the Lieutenant Governor or Division of Elections, the proposed language for an initiative along with the signatures of 100 supporters of the proposed initiative. (AS 15.13.110(e))

If question is already on the ballot

A group that forms to support or oppose an issue on a state or municipal ballot must register with the Commission "before making an expenditure in support of or in opposition to a ballot proposition or question." This includes making expenditures to order checks or bank charges. Thus, it is best to register as early as possible. (AS 15.13.050(a))

4. When are reports due?
Initiative Stage

Ballot groups in the initiative stage need to file quarterly reports. The quarterly reports shall be filed within 10 days after the end of each calendar quarter. The group is required to file quarterly Campaign Disclosure Statements until:

- (1) the group ceases its petition drive, or
- (2) the 30 Day Pre-election report is due (if the group is successful in getting the initiative certified as a ballot issue). (AS 15.13.110(e))

If the question is on the ballot

Ballot groups formed to support or oppose a question on the ballot must file Pre and Post Election Reports. The required reports must be filed according to the following schedule:

- * 30 Day Pre-election report. Due 30 days prior to the election.
- * 7 Day Pre-election report. Due 7 days prior to the election.
- * 24 Hour Report. Within 9 days prior to the election, all contributions over \$250 must be disclosed within 24 hours.
- * Year End Report. Discloses all activity through February 1 and is due February 15 of the following year. (AS 15.13.110)

5. What's reportable and what's not in the initiative stage?

A ballot group in the initiative stage that accepts donations and makes expenditures solely to gather signatures may file a "zero report" to satisfy the quarterly reporting due under AS 15.13.110(a). A group filing "zero reports" should be careful to confine its financial activity solely to

gathering signatures. "Zero reports" are appropriate until the group disbands or until the group's petition is certified as a ballot measure. Once the petition is certified as a ballot issue, the group's activities are considered to be campaign efforts intended to influence the outcome of an election. The group must then make full reports of its contributions and expenditures in accordance with AS 15.13.040(b) and (c), and AS 15.13.110.

"Zero Reports" are also appropriate when a group has had no activity. If a group has bank interest or bank charges, a zero report is not appropriate.

6. What if the group has a surplus after the signature stage?

Once the petition is certified, the group's activities are considered to be campaign efforts intended to influence the outcome of an election. The group must then report all contributions and expenditures.

If the group intends to use the surplus funds gathered during the signature stage to campaign for passage of the measure, the group must disclose all activity which led to that surplus; including the names of previous contributors. Because bookkeeping can be difficult, staff recommends that ballot groups in the initiative stage monitor funds so that no surplus is carried forward.

7. Are there limits on contributions to ballot groups?

Ballot groups may accept contributions from individuals or persons without limitation. This includes corporations, unions, organizations, as well as individuals and organizations from outside Alaska.

8. What happens if the required campaign disclosure reports and registration statement are not filed on time?

Commission staff will assess a civil penalty based on the number of days a report is late and how close it is to the election. Fines range from \$10 to \$50 per day. A filer has 30 days to pay or to appeal the penalty.

9. When must a "paid for by" identifier be placed on campaign related materials?

All political communications must contain a "paid for by" identifier which includes the words "paid for by" followed by the name and address of the ballot group paying for the advertising.

10. Is there a fine for inadequate or missing identifiers?

Yes. A group that fails to place a complete "paid for by" identifier on its campaign communications is subject to a civil penalty of up to \$50 per day.

11. How does the group disband?

The disbursement of a campaign account must be reported to the Commission within 10 days after final disposition of the balance. Ballot groups may disburse the balance in the following manner:

- * give the money to charity (501(c)(3));
- * repay the contributors;
- * pay for a victory or thank you party;
- * leave the money in the account for future election (the group must register every year and report as long as there is a balance in the account), or
- (contribute the money to a group supporting a ballot proposition or question, (2 AAC 50.384)

Rev. 11/03

State of Alaska Form: Federal Ethics Commission / Legislative Ethics Commission / State of Alaska Division of Elections / Website



Charitable Giving Benefits Giver As Much as Receiver

Friday, December 22, 2006

By Ryan Messmore

On Monday morning, millions of Americans will gather with loved ones to engage in a vitally important social activity: giving gifts.

They may do so to continue family tradition, or to participate in a cultural holiday, or to celebrate the gift of a Savior. Whatever the reason, the practice of giving taps into something deep in the nature of the person.

Giving our time and money to others tends to have significant implications for our individual well-being and that of our local communities and nation. Charitable giving is associated with higher levels of health and happiness, increased prosperity and strong community organizations.

Just as significant is the way that giving and receiving gifts shape our moral vision. Given the numerous "spillover effects" of private giving for larger society, government has a strong interest in ordering society in such a way that charity can flourish.

Researcher Arthur Brooks examines the benefits of giving in his new book, "Who Really Cares: The Surprising Truth about Compassionate Conservatism." In terms of physical health and happiness, Brooks notes that people who give more charitably are 43 percent more likely to say they are "very happy" than non-givers, while non-givers are three and a half times more likely than givers to report they are "not happy at all."

In addition, several large studies have also found that senior citizens who volunteer have a 40 percent lower probability of dying in a given year than people of the same age and health level.

Giving also increases personal and well as national prosperity. Pointing to a survey conducted in 2000 that controlled for education, age, race and all the other outside explanations for giving and income increases, Brooks reports that a dollar donated to charity was associated with \$4.35 in extra income.

Of this additional income, \$3.75 was due to the dollar given to charity. At the national level, a 1 percent increase in national giving appeared to increase real GDP by about \$36 billion.

Charitable giving is important for strong local communities as well. As Brooks explains, not only do giving and volunteering correlate with honesty and promote bonds of trust among neighbors, but they also sustain numerous charities providing critical services in education, health, the arts, the environment and disaster relief. Because such organizations can provide a buffer against the authority of the state, suggests Brooks, giving to them is also important for protecting freedoms and fostering democratic values.

In addition to charity's effects on health, happiness, income and community life, giving's most powerful influence may lie in its ability to shape moral vision. The practice of voluntary giving fashions the way we see wealth, poverty, and personal obligations toward those in need.

Without charity, Americans would become more dependent on impersonal government for a vast array of services. This, in turn, would foster a social relationship where one side perceives aid as a forced penalty rather than a voluntary offering and the other side views aid as a right rather than a gift.

ADVERTISEMENT



Impersonal government checks can foster a mentality that undercuts the motivation to feel or give gratitude when received. In contrast, gifts create a kind of momentum of good will, which has the potential to bind both giver and receiver into a more personal relationship. Interestingly, Brooks found that people are much more likely to give away money they earn than money they receive from the government. Voluntary giving and receiving beget more charitable ways of seeing and living in the world.

In sum, these financial and non-financial advantages demonstrate that giving is good not only for the receiver, but also for the giver -- as well as the giving society. Government therefore has an obligation to make policy that is conducive to Americans' charitable spirit. Policy should clear the way for citizens to act upon their generosity with ease. Government should not make it difficult to engage in charitable and civic activities through burdensome legal requirements, punitive mandatory expenditures, bureaucratic red tape and controversial hiring practices.

Government should provide the fair, legal space in which faith-based charitable organizations can meet social needs.

Government can also influence charitable giving through its economic and welfare policies.

According to Brooks, government entitlement programs have a negative impact on charity -- they drive giving down among both rich and poor. On average, a working poor family is more than twice as likely to give -- and gives more than three times as much money -- and almost twice as likely to volunteer as a family receiving roughly the same amount on welfare.

What stands out from Brooks' research, however, is that the mere support for income redistribution policies tends to substitute for giving. In a 1996 General Social Survey, those who disagreed with the question, "The government has a responsibility to reduce income inequality" gave more to every type of cause and charity, including nonreligious charities, human welfare agencies, and traditionally liberal causes such as the environment and the arts. This trend holds whether or not the government actually implements a policy to address inequality.

Public policy should reflect the importance of charity in America. In short, when it comes to economic inequality, liberal political opinions seem to substitute for private action. Because research reveals that giving leads to greater prosperity and a higher quality of life for the poor, the national debate concerning poverty should consider the significance of private charity in addressing this question.

The Christmas season reminds us that wise men give gifts. Giving sets off a cycle of blessing that benefits giver, receiver, and society alike. A wise government knows that is something its policies cannot replicate, but must respect.

Ryan Massmore in the William E. Simon Fellow in the DeVos Center for Religion and Civil Society at The Heritage Foundation.

SEARCH

GO

[Click here for FOX News RSS Feeds](#)

Advertise on FOX News Channel, FOXNews.com and FOX News Radio

[Jobs at FOX News Channel.](#)

[Internships At Fox News \(Summer Application Deadline is March 15, 2007\)](#)

[Terms of use.](#) [Privacy Statement.](#) For FOXNews.com comments write to foxnews@foxnews.com; For FOX News Channel comments write to comments@foxnews.com

© Associated Press. All rights reserved.

This material may not be published, broadcast, rewritten, or redistributed.

Copyright 2007 FOX News Network, LLC. All rights reserved.
All market data delayed 20 minutes.

Nancy Manly

From: Amber J. Scott [ascott@denalystatebank.com]
Sent: Monday, March 12, 2007 1:27 PM
To: Rep. Bob Lynn
Cc: dmcmillian@forakergroup.org
Subject: HB 166

March 12, 2007

The Honorable Bob Lynn
State Capitol, RM 104
Juneau, Alaska 99801

Dear Representative Lynn,

I am writing today to ask for your support of House Bill 166. This Act will provide Alaskans with a safe and easy way to make charitable donations to their favorite qualified non-profit organizations.

There is a growing demand placed on Alaska's non-profit organizations. Our state depends on those groups to fill in funding gaps and to do more with less. In the face of those challenges, non-profit groups try to stretch their dollars farther and build their sustainability. One way to assist in that process is to add donated money from Alaskans to the public dollars contributed by the government.

Denali State Bank is a community bank and we are deeply committed to this community and state. Our lending philosophies and the active role our staff plays in our community is a great testament to our corporate responsibility. We have 11 officers that sit on 15 boards of nonprofit organizations, and I am extremely proud of that. There is seldom a community event, whether it is Chamber-sponsored through the American Cancer Society, United Way or Boys and Girls Club, that we are not involved in. Because of our direct involvement in so many non-profit organizations, we understand the financial challenges that these organizations face.

The non-profit sector plays a huge role in our State's economy. Alaska's public charities spent over \$3.4 billion in 2004. 1 in 10 Alaskan workers is employed by a non-profit organization, and those payrolls total over \$1.151 billion last year. Presently our Alaskan non-profits are overly dependant upon the federal government for support. Currently almost \$1 billion a year comes from federal support. Wouldn't it be nice if Alaskans had a safe, easy way to contribute individually to the charities of their choice? HB 166 will provide that accessible avenue and alleviate some of the financial burdens on our non-profits.

Thank you in advance for your support of HB 166, and for supporting the important work of Alaska's non-profit sector.

Sincerely,

Jyotsna Heckman
CEO & President
Denali State Bank

3/14/2007

Nancy Manly

From: Dennis McMillian [dmcmillian@forakergroup.org]

Sent: Tuesday, March 06, 2007 12:58 PM

To: Rep. Bob Lynn

Dear Representative Lynn:

We are writing you today to ask that you support House Bill 166, an Act that will bring one of the most exciting and positive changes to the Alaska's nonprofit sector since statehood, by providing Alaskans with a mechanism for making charitable donations to their favorite qualified nonprofits, and giving all of us an easy and safe way to support the very worthwhile Alaskan nonprofit sector too.

In the recent ISER study on the economic impact of the nonprofit sector, we confirmed that the nonprofit sector is a major part of the state's economy; the sector makes significant expenditures in the state, especially Alaska's public charities, which spent over \$3.4 billion in 2004; the sector provides a growing employment base across the state, such that one in 10 Alaska workers (31,000) is employed by a nonprofit for a total payroll of over \$1.151 billion and with 42,000 jobs in Alaska that can be traced back to the public charity organizations within the nonprofit sector. However it also shows that Alaska nonprofits are overly dependent on federal government dollars for their ongoing operations, at over \$1 billion last year alone.

Alaska has great potential to significantly increase its charitable giving and increase its non-governmental sustainability. While some organizations do a good job of fundraising in Alaska, the same study shows that as a percentage of total income, Alaska's nonprofits generate half of the national average from charitable contributions. We need to change that. When every Alaskan receiving a Permanent Fund Dividend is asked to consider making a donation to a qualified organization, our hope is that it will encourage more Alaskans to start giving back to support their community.

The Rasmuson Foundation has agreed to pay for all the administrative costs to establish such a program and continue to fund the overhead for the first three years while Alaskans learn to give in this innovative way. A process has already been developed to approve a variety of nonprofit organizations throughout the state, eliminating the tendency for just one or two organizations to benefit from this effort.

Thank you for your support of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,

Dennis G. McMillian
President
The Foraker Group

3/14/2007



621 W. 6th Ave.
Anchorage, AK 99501
Phone: 907-263-2900
Fax: 907-263-2927
www.alaskapac.org

April 2, 2007

The Honorable Bill Thomas
State Capital, Room 434
Juneau, AK 99801

Dear Representative Thomas:

Without the many nonprofit organizations working tirelessly throughout Alaska, a large void would be obvious. These organizations try valiantly to address the needs that go unmet by government and business.

As one of those non-profit organizations, the Alaska Center for the Performing Arts solicits contributions from many individuals who help support the operating costs of this facility as well as those who use this building. Contributions also support our Ushering in the Arts Program, a 300-member volunteer corps of well-trained individuals, and our Partners-in-Education Program which works to train teachers from the Anchorage School District about how to incorporate the arts into every day curriculum.

We are mindful of the many other organizations who must build relationships with donors throughout Alaska in order to financially support their many programs. It is with this in mind that we support HB166 and a "nonprofit check-off" on the Alaska Permanent Fund Dividend. This check off will make it easier for Alaskans to directly connect to an organization which has value to them. It will also help increase individual giving generally in Alaska as this opportunity to create a donor relationship becomes easier.

Thank you for recognizing this important need and let us know how we can help further approval of this bill.

Sincerely,

NANCY HARBOUR
President

701 West 8th Avenue, Suite 230
Anchorage, Alaska 99501
tel 907.263.3800
fax 907.263.3801
www.unitedwayofanchorage.org



United Way of Anchorage

March 30, 2007

The Honorable Rep. Bill Thomas
State Capitol, Room 428
Juneau, AK 99801

Dear Representative Thomas:

The United Way of Anchorage has worked for the last fifty years with non-profit health and social service providers to improve Alaskans' lives. United Way of Anchorage is governed by a Board of Directors comprised of 25 business and community leaders. We urge you to support House Bill 166, an Act providing Alaskans with a mechanism for making charitable donations to qualified nonprofits providing valuable services to Alaskans.

We support this legislation as good social policy and as a practical, efficient way to promote the services of nonprofits. On the social policy side, Alaskans have a great tradition of neighborliness and helpfulness, but this spirit has not yet fully translated or developed into a culture of philanthropy in a cash-based economy. This legislation is a good way to educate people about the many options to further their interests through financial support of non-profits that are working in their area of interest.

On the practical side, government can't do everything. Much of what is done regarding quality of life comes from the work of non-profit organizations and their volunteers. In United Way of Anchorage's area of health and social services, there are organizations that care for kids, connect people with health care, provide workforce development, ensure people are housed and fed so they can get educated and work. These services fundamentally help shape our quality of life. Many personal issues have significant financial and social impact on the community as a whole as well so it is imperative that these issues be appropriately addressed. The permanent fund dividend charitable check off is an easy way for people to invest in that quality of life for themselves and their neighbors in a very cost effective way. And, this will help improve our overall economy because non-profits now employ 1 in 10 employed Alaskans, with payroll value over \$1.1B.

Thank you for your consideration of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,



Michele Brown
President

what matters.™

Chair
Tadd Owens
Anchorage

Chair-Elect
Mary K. Hughes, J.D.
Anchorage

Treasurer
Evan Ross
Anchorage

Secretary
Doug North, Ph.D.
Anchorage

Past Chair
Susan Anderson
Anchorage

Patricia Babcock
Fairbanks

Ronald Brower Sr.
Fairbanks

Carol Comeau
Anchorage

Jerry Covey
Anchorage

Sharon Gagnon, Ph.D.
Anchorage

Sven Haakanson, Jr., Ph.D.
Kodiak

Sue Hull
Fairbanks

James Liszka, Ph.D.
Anchorage

Francisco Miranda, Ph.D.
Anchorage

Cathy Muñoz
Juneau

Tom Okleasik
Nome

Robert Phillips
Anchorage

Rick Solie
Fairbanks

Ginger Steisk-McKenzie
Fairbanks

President
G. W. Kimura, Ph.D.



**A L A S K A
HUMANITIES
F O R U M**

421 West Third Avenue
Suite 301
Anchorage, AK 99501
Tel: 907/272-5341
Fax: 907/272-3979
www.alhf.org



29-Mar-07

The Honorable Bill Thomas
State Capitol, Room 434
Juneau, AK 99801

Dear Representative Thomas:

The nonprofit sector in Alaska educates students, cares for the poor, cultivates the arts, and enriches our human connections. Nonprofits address those needs that go unmet by government and business.

To ensure these needs, non-profits must raise money. This is not an option; it is our responsibility and our honor.

Alaskans are generous people and Alaska nonprofits need every tool to appeal to their sense of philanthropy. Here at the Alaska Humanities Forum, whether we are encouraging early education through the 'Ready to Read, Ready to Learn' initiative or knitting together the cultural divisions through the 'Rose Urban-Rural Exchange' or teaching high schoolers through the 'Alaska State History and Culture Curriculum,' or raising future leaders in 'Leadership Anchorage,' we experience this first hand.

Therefore, the Alaska Humanities Forum supports HB 166 and a 'nonprofit check-off' on the Alaska Permanent Fund Dividend. This check off will make it easier for Alaskans to do the right thing and we know it will increase overall giving to Alaska's hard-working nonprofits.

Thank you for your leadership on this issue. I would be pleased to speak with you more, if you have any questions.

Regards,

MISSION: To enrich the civic, intellectual, and cultural life of all Alaskans.



301 W. NORTHERN LIGHTS BLVD., SUITE 108
ANCHORAGE, ALASKA 99503
P: 907.334.6700 F: 907.334.5780

March 26, 2007

The Honorable Representative Hawker
State Capitol, Room 502
Juneau, AK 99801-1182

Dear Representative Hawker:

I am relatively new to Alaska having moved here from Indianapolis, Indiana in August 2006. I have worked my entire life (outside the jobs that helped put me through college) in the nonprofit sector. Therefore, I was so pleased to learn that you chair the House Finance Subcommittee on Health and Social Services. I also applaud your community involvement with such organizations as the AWAIC and your interests in museums and libraries. I have also noted that you are a trustee with the Alaska Aviation Heritage Museum. I recently learned about this museum as they have expressed an interest in establishing an endowment at the Alaska Community Foundation. I look forward to meeting you in person to learn more about your work to help Alaskans as a legislator and more about your life in Alaska since we share Midwestern roots.

I am writing today about House Bill 166 and to ask you to support this bill to create a mechanism that Alaskans can use to make charitable donations to their favorite qualified nonprofits. As I represent an organization that has as its primary purpose to build endowments, I think it is wonderful that Alaskans had the foresight to create the Permanent Fund as a resource that will exist in perpetuity for our citizens. There are Alaskans who depend on this fund to help meet their families' needs but there are many Alaskans who do not need this annual income for themselves. We believe many of these individuals would appreciate an easy and safe way to support the organizations that are helping Alaska be a wonderful place to live, work, and raise their families.

A strong nonprofit sector helps to "fill in the gaps" in state services, and since you serve on the Finance and Legislative Budget Committees, you understand government will never be able to meet all of the needs. Not only because there is a growing demand for services, but also because there are areas in which government should not be involved. But the nonprofit sector is facing its own funding challenges. Alaska nonprofits are overly dependent on federal government dollars, at almost \$1 billion last year alone. Although they are good stewards of the dollars they have, they need to reduce their dependency on governmental dollars and build their own sustainability through the support of donated dollars from Alaskans who care about their missions.

Their missions include the broad gamut of services that are an important part of Alaska's social, cultural and economic fabric. The nonprofit sector also has a significant impact on the state's economy, providing jobs and services that help individuals enhance rather than drain our resources. We all know this is true, but now there is evidence from The Foraker Group to back it up:

- The sector makes significant expenditures in the state, especially Alaska's public charities, which spent over \$3.4 billion in 2004
- The sector provides a growing employment base across the state, such that one in ten Alaska workers (31,000) is employed by a nonprofit for a total payroll of over \$1.151 billion
- 42,000 jobs in Alaska can be traced back to public charity organizations within the nonprofit sector

Alaskans are extremely generous, but from my limited experience in the state there is an over reliance on giving at fundraising events rather than giving directly to the causes they care about. At the same time, nonprofits have limited funds to spend on fundraising so they often cannot connect with potential donors in a systematic way. A simple check off box on the permanent fund dividend application form would help connect these generous donors with the organizations that are directly meeting needs in the state. Some states have enacted legislation that allows citizens to receive a tax credit for such charitable deductions. We are so fortunate in Alaska that we do not have a state income tax so a tax credit is unnecessary. Also, a check off on the Permanent Fund would in no way reduce income to the state to carry on necessary governmental functions.

Thank you for your support of HB 166, and for supporting the important work of Alaska's nonprofit sector.

Sincerely,



Carol G. Simonetti
President/CEO

✓ Cc: Representative Bill Thomas, Jr.
State Capital, Room 434
Juneau, AK 99801-1182

HB

166

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/07

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 166(FIN)

HB 166 CONTRIBUTIONS FROM PERM. FUND DIVIDENDS

"An Act relating to contributions from permanent fund dividends to community foundations, to certain educational organizations, and to certain other charitable organizations; and providing for an effective date."

and recommends:

- be replaced with SCS or CS HB 166 (Fin)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input checked="" type="checkbox"/>	New Title w/ SCR # _____

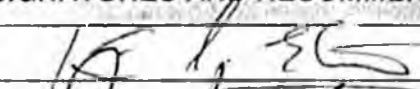

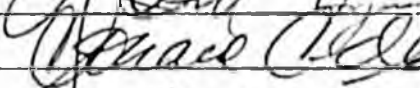



NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/2/08	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Cito	✓			
	Thomas	✓			
	Dyson	✓			
	Deson			✓	
CO-CHAIR: 	Herman			✓	
CO-CHAIR: 	Sherman			✓	

*Adopted
4/8/08*

25-LS0678V
Cook
4/1/08

SENATE CS FOR CS FOR HOUSE BILL NO. 166()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Gara, Crawford, Foster, LeDoux

SENATORS Thomas, McGuire, Elton, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to contributions from permanent fund dividends to community
2 foundations, to certain educational organizations, and to certain other charitable
3 organizations; relating to the execution upon permanent fund dividends; amending Rule
4 89, Alaska Rules of Civil Procedure; and providing for an effective date."

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

6 * Section 1. AS 43.23 is amended by adding a new section to read:

7 Sec. 43.23.062. Contributions from dividends. (a) Notwithstanding
8 AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska
9 permanent fund dividend application to allow an applicant who files electronically to
10 direct that money be subtracted from the dividend payment and contributed to one or
11 more of the educational organizations, community foundations, or charitable
12 organizations that appear on the contribution list contained in the application. A
13 contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of
14 \$50, up to the total amount of the permanent fund dividend that the applicant is
15 entitled to receive. If the total amount of contributions elected by an applicant exceeds

1 the amount of the permanent fund dividend that the applicant is entitled to receive,
2 contributions shall be deducted from the dividend in the order of priority elected by
3 the applicant on the application until the entire amount of the dividend that the
4 applica t is entitled to receive is allocated for contribution. The electronic dividend
5 application form must include notice that

6 (1) contribution changes may not be made after the applicant files the
7 electronic permanent fund dividend application; and

8 (2) no money contributed will be used for administrative costs incurred
9 in implementing this section and money from the dividend fund will not be used for
10 that purpose.

11 (b) The department shall list each campus of the University of Alaska and
12 shall list each other educational organization, community foundation, or charitable
13 organization eligible under (c) and (d) of this section on the contribution list by
14 geographic region in random order, and the order shall be changed each year. On the
15 contribution list, organizations shall also be grouped by type within each geographic
16 region. The department shall provide a statement of the contributions made by an
17 individual that is suitable for federal income tax purposes to each individual who
18 elects to contribute under (a) of this section.

19 (c) Other than a community foundation, the department may not include a
20 charitable organization on the contribution list for a dividend year unless the purpose
21 of the charitable organization is to provide programs for youth development,
22 workforce development, arts and culture, aid and services to the elderly, low-income
23 individuals, individuals in emergency situations, disabled individuals, individuals with
24 mental illness, primary, vocational and higher education, health and dental care,
25 recreational facilities, child abuse and neglect, economic development, food
26 assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos.
27 The department may not include on the contribution list an educational organization,
28 community foundation, or charitable organization that is the affiliate of a group. For
29 purposes of this subsection,

30 (1) "affiliate" means an organization or foundation that directly or
31 indirectly through one or more intermediaries controls, is controlled by, or is under

1 common control with, a group;

2 (2) "group" has the meaning given in AS 15.13.400(8)(B).

3 (d) Except for each campus of the University of Alaska, the department may
4 include an educational organization, community foundation, or charitable organization
5 on the contribution list for a current dividend year only if the organization

6 (1) files an application for inclusion on the list for that dividend year
7 on the form required by the department before June 15 of the qualifying year;

8 (2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal
9 Revenue Code) as an educational or a charitable organization on the date of
10 application;

11 (3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3)
12 (Internal Revenue Code) as an educational or a charitable organization during the two
13 calendar years that immediately precede the year the application is filed;

14 (4) has a current Internal Revenue Service Form 990 on file with the
15 United States Department of the Treasury, Internal Revenue Service, or, if the Internal
16 Revenue Service has granted a filing extension for the current year, has on file that
17 form for the immediately previous year;

18 (5) is directed by a voluntary board of directors or local advisory board
19 whose members are residents of the state;

20 (6) provided in the state aid or services during the two calendar years
21 that immediately precede the year the application is filed;

22 (7) receives at least \$100,000 or five percent of its total annual
23 receipts, whichever is less, from contributions;

24 (8) has completed and provided to the department a financial audit
25 with an unqualified opinion, conducted by an independent certified public accountant
26 for the fiscal year to which the Internal Revenue Service Form 990 required under (4)
27 of this subsection applies; this paragraph applies only to an organization with a total
28 annual budget that exceeds \$250,000 during the fiscal year to which the Internal
29 Revenue Service Form 990 required under (4) of this subsection applies; and

30 (9) does not make grants or contributions to an organization that is
31 exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

1 (c) Unless an appropriation specifically directs that the money be used for
2 costs incurred in implementing this section, the department may not use money from
3 the dividend fund for administrative costs incurred in implementing this section even
4 if it has been appropriated for costs of administering the dividend program. The
5 department may not use money contributed under (a) of this section for administrative
6 costs incurred in implementing this section. Contributions shall be distributed to each
7 organization as soon as practicable.

8 (f) The department may establish an application fee not to exceed \$50 for each
9 educational organization, community foundation, or charitable organization that files
10 an application under (d) of this section. The application fees shall be separately
11 accounted for under AS 37.05.142. The annual estimated balance in the account
12 maintained under AS 37.05.142 for application fees collected under this subsection
13 may be appropriated for costs of administering this section.

14 (g) The department may use an agent or enter into a contract for the
15 implementation and operation of the contribution program under this section. Before
16 executing a contract with a corporation or other organization, the organization must
17 provide a copy of its policies and procedures to the department. A contract entered
18 into under this subsection is exempt from AS 36.30 (State Procurement Code).

19 (h) A public agency that claims a dividend on behalf of an individual under
20 AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of
21 this section.

22 (i) The department may adopt regulations under AS 44.62 (Administrative
23 Procedure Act) to carry out the provisions of this section. If an organization disagrees
24 with an action of the department under this section and requests an administrative
25 hearing, the hearing shall be conducted by the office of administrative hearings
26 (AS 44.64.010).

27 (j) By January 20 of each year, the department shall prepare a report
28 identifying the organizations on the contribution list for the immediately preceding
29 year, together with the amount of contributions made to each of the organizations, and
30 shall notify the legislature that the report is available.

31 (k) In this section, "community foundation" means a nonprofit, autonomous,

1 philanthropic institution that is organized and operated primarily as a permanent
2 collection of endowed funds for the long-term benefit of a defined geographic area
3 within one or more municipalities, that has a long-term goal of increasing its
4 permanent unrestricted charitable endowment to benefit the area served, that primarily
5 provides benefits by making grants and may also provide other forms of charitable
6 services, that makes grants that are not limited to providing one type of benefit or to
7 serving one population segment, and that makes grants to multiple grantees.

8 * Sec. 2. AS 43.23.065(a) is amended to read:

9 (a) Except as provided in (b) of this section, 20 percent of the annual
10 permanent fund dividend payable to an individual is exempt from levy, execution,
11 garnishment, attachment, or any other remedy for the collection of debt. No other
12 exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon
13 a dividend that has not been delivered to the debtor may be served on the
14 commissioner by

15 (1) certified mail, return receipt requested; or

16 (2) a civilian process server, licensed by the commissioner of public
17 safety under AS 22.20.120, using electronic execution procedures as provided
18 under regulations adopted by the department [UPON RECEIPT OF A WRIT BY
19 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, THE COMMISSIONER
20 SHALL DELIVER THAT PORTION OF THE DIVIDEND EXECUTED UPON TO
21 THE COURT ALONG WITH THE CASE NAME AND NUMBER].

22 * Sec. 3. AS 43.23.065(d) is amended to read:

23 (d) An assignment of or levy, execution, garnishment, attachment, or other
24 remedy for the collection of debt applied to a dividend for a year may not be accepted
25 by the department before April 1 of that same year. AS 09.38.080(c) and 09.38.085 do
26 not apply to a levy on a permanent fund dividend. Upon receipt of a writ of
27 execution in accordance with (a) of this section, or other court order, the
28 commissioner shall deliver that portion of the dividend executed upon to the
29 court along with the case name and number [THE DEPARTMENT SHALL
30 INCLUDE THE CASE NUMBER WITH A DIVIDEND OR PORTION OF A
31 DIVIDEND TRANSMITTED TO THE COURT IN RESPONSE TO A WRIT OF

1 EXECUTION OR OTHER COURT ORDER]. At the time payment is made to the
2 court, the department shall send to the individual at the address provided in the
3 individual's dividend application and to the court that issued the writ or order a notice
4 that contains

5 (1) notification that all or part of the individual's dividend has been
6 seized under a writ of execution or court order;

7 (2) the name and address of the court that issued the writ or order;

8 (3) the case number for which the writ or order was issued;

9 (4) the amount seized under the writ or order; and

10 (5) notification that the individual has 30 days from the date the notice
11 is mailed in which to file with the court an objection to the seizure if a mistake has
12 been made.

13 * Sec. 4. AS 43.23.062 is repealed on December 31, 2011.

14 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **INDIRECT COURT RULE AMENDMENT.** The changes made by secs. 2 and 3 of
17 this Act have the effect of changing Rule 89, Alaska Rules of Civil Procedure, by allowing a
18 civilian process server licensed by the commissioner of public safety to execute upon a
19 permanent fund dividend issued under AS 43.23 by electronic means in accordance with
20 regulations adopted by the Department of Revenue and by establishing how the commissioner
21 of revenue shall deliver the portion of the dividend executed upon to the court.

22 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 **APPLICABILITY.** AS 43.23.062, enacted by sec. 1 of this Act, applies to the Alaska
25 permanent fund dividends for 2009, 2010, and 2011.

26 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 **CONDITIONAL EFFECT.** Sections 2, 3, and 5 of this Act take effect only if sec. 5 of
29 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,
30 Constitution of the State of Alaska.

31 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SCS CSHB166(FIN)
() Publish Date: _____

Identifier (file name): SCSCSHB166-00R-PFD-4-2-08 Dept. Affected: DOR
Title: PFD Charitable giving RDU: Revenue Programs & Support
Component: Permanent Fund Dividend
Sponsor: Representative Thomas
Requester: Senate Finance Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	136.1		136.1	136.1	136.1		
Travel	4.2		2.0	2.0	2.0		
Contractual	383.2		73.1	73.1	73.1		
Supplies							
Equipment	19.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	542.5	0.0	211.2	211.2	211.2	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Stat Des	542.5		211.2	211.2	211.2		
TOTAL	542.5	0.0	211.2	211.2	211.2	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	2	-	2	2	2		
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill creates the need for a new unit to the PFD Division, complete with an application & eligibility process for non-profits. Non-profits who are denied will have the right to appeal. PFD public response staff will experience an increase in activity as people question the new addition to the application and the associated rules. There is an immediate need for a data base that will contain the eligibility information for each charitable organization with the capability of saving document images and tracking applications through the eligibility phase and the appeals phase. The database programming would be contracted through task order.

Prepared by: Deborah M. Richter Phone: 465-4785
Division: Permanent Fund Dividend Date/Time: 4/02/08 9:51am
Approved by: Jerry Burnett Date: 4/2/2008
Department of Revenue