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rule that the enactment of a uniform federal scheme displaces state law, and the treaties indicate Congress will have demanded national uniformity regarding maritime commerce. See *Ray*, 435 U. S., at 166 (recognizing Congress anticipated "arriving at international standards for building tank vessels" and understanding "the Nation was to speak with one voice" on these matters). In later proceedings, if it is deemed necessary for full disposition of the case, it should be open to the parties to argue whether the specific international agreements and treaties are of binding, pre-emptive force. We do not reach those questions, for it may be that pre-emption principles applicable to the basic federal statutory structure will suffice, upon remand, for a complete determination.

III

In *Ray* v. *Atlantic Richfield, supra,* the Court was asked to review, in light of an established federal and international regulatory scheme, comprehensive tanker regulations imposed by the State of Washington. The Court held that the PWSA and Coast Guard regulations promulgated under that Act pre-empted a state pilotage requirement, Washington's limitation on tanker size, and tanker design and construction rules.

In these cases, petitioners relied on *Ray* to argue that Washington's more recent state regulations were pre-empted as well. The Court of Appeals, however, concluded that *Ray* retained little validity in light of subsequent action by Congress. We disagree. The *Ray* Court's interpretation of the PWSA is correct and controlling. Its basic analytic structure explains why federal pre-emption analysis applies to the challenged regulations and allows scope and due recognition for the traditional authority of the States and localities to regulate some matters of local concern.

At the outset, it is necessary to explain that the es-

sential framework of *Ray*, and of the PWSA which it interpreted, are of continuing force, neither having been superseded by subsequent authority relevant to these cases. In narrowing the pre-emptive effect given the PWSA in *Ray*, the Court of Appeals relied upon OPA's saving clauses, finding in their language a return of authority to the States. Title I of OPA contains two saving clauses, stating:

> "(a) Preservation of State authorities . . .
>
> "Nothing in this Act or the Act of March 3, 1851 shall—
>
> "(1) affect, or be construed or interpreted as preempting, the authority of any State or political subdivision thereof from imposing any additional liability or requirements with respect to—
>
> "(A) the discharge of oil or other pollution by oil within such State . . . .
>
> . . . . .
>
> "(c) Additional requirements and liabilities; penalties
>
> "Nothing in this Act, the Act of March 3, 1851 (46 U. S. C. 183 et seq.), or section 9509 of [the Internal Revenue Code of 1986 (26 U. S. C. 9509]), shall in any way affect, or be construed to affect, the authority of the United States or any State or political subdivision thereof—
>
> "(1) to impose additional liability or additional requirements
>
> . . . . .
>
> "relating to the discharge, or substantial threat of a discharge, of oil." 33 U. S. C. §2718.

The Court of Appeals placed more weight on the saving clauses than those provisions can bear, either from a textual standpoint or from a consideration of the whole federal regulatory scheme of which OPA is but a part.

The saving clauses are found in Title I of OPA, captioned Oil Pollution Liability and Compensation and creating a liability scheme for oil pollution. In contrast to the Washington rules at issue here, Title I does not regulate vessel operation, design, or manning. Placement of the saving clauses in Title I of OPA suggests that Congress intended to preserve state laws of a scope similar to the matters contained in Title I of OPA, not all state laws similar to the matters covered by the whole of OPA or to the whole subject of maritime oil transport. The evident purpose of the saving clauses is to preserve state laws which, rather than imposing substantive regulation of a vessel's primary conduct, establish liability rules and financial requirements relating to oil spills. See *Gutierrez* v. *Ada*, 528 U. S. ___, ___ (2000) (slip op., at 5) (words of a statute should be interpreted consistent with their neighbors to avoid giving unintended breadth to an Act of Congress).

Our conclusion is fortified by Congress'decision to limit the saving clauses by the same key words it used in declaring the scope of Title I of OPA. Title I of OPA permits recovery of damages involving vessels 'from which oil is discharged, or which pos[e] the substantial threat of a discharge of oil." 33 U. S. C. §2702(a). The saving clauses, in parallel manner, permit States to impose liability or requirements 'relating to the discharge, or substantial threat of a discharge, of oil." §2718(c). In its titles following Title I, OPA addresses matters including licensing and certificates of registry, 104 Stat. 509; duties of senior licensed officers to relieve the master, *id.*, at 511; manning standards for foreign vessels, *id.*, at 513; reporting of marine casualties, *ibid.*; minimum standards for plating thickness, *id.*, at 515; tank vessel manning requirements, *id.*, at 517; and tank vessel construction standards, *id.*, at 517–518, among other extensive regulations. If Congress had intended to disrupt national uniformity in all of these

matters, it would not have done so by placement of the saving clauses in Title I.

The saving clauses are further limited in effect to "this Act, the Act of March 3, 1851 . . . or section 9509 of the Internal Revenue Code." §2718(a) and (c). These explicit qualifiers are inconsistent with interpreting the saving clauses to alter the pre-emptive effect of the PWSA or regulations promulgated thereunder. The text of the statute indicates no intent to allow States to impose wide-ranging regulation of the at-sea operation of tankers. The clauses may preserve a State's ability to enact laws of a scope similar to Title I, but do not extend to subjects addressed in the other titles of the Act or other acts.

Limiting the saving clauses as we have determined respects the established federal-state balance in matters of maritime commerce between the subjects as to which the States retain concurrent powers and those over which the federal authority displaces state control. We have upheld state laws imposing liability for pollution caused by oil spills. See *Askew* v. *American Waterways Operators, Inc.*, 411 U. S., at 325. Our view of OPA's savings clauses preserves this important role for the States, which is unchallenged here. We think it quite unlikely that Congress would use a means so indirect as the savings clauses in Title I of OPA to upset the settled division of authority by allowing states to impose additional unique substantive regulation on the at-sea conduct of vessels. We decline to give broad effect to saving clauses where doing so would upset the careful regulatory scheme established by federal law. See, *e.g.*, *Morales* v. *Trans World Airlines, Inc.*, 504 U. S. 374, 385 (1992); *American Telephone & Telegraph Co.* v. *Central Office Telephone, Inc.*, 524 U. S. 214, 227-28 (1998).

From the text of OPA and the long-established understanding of the appropriate balance between federal and state regulation of maritime commerce, we hold that the

pre-emptive effect of the PWSA and regulations promulgated under it are not affected by OPA. We doubt Congress will be surprised by our conclusion, for the Conference Report on OPA shared our view that the statute "does not disturb the Supreme Court's decision in *Ray* v. *Atlantic Richfield Co.*, 435 U. S. 151 (1978)." H. R. Conf. Rep. No. 101–653, 101, p. 122 (1990). The holding in *Ray* also survives the enactment of OPA undiminished, and we turn to a detailed discussion of that case.

As we mentioned above, the *Ray* Court confronted a claim by the operator of a Puget Sound refinery that federal law precluded Washington from enforcing laws imposing certain substantive requirements on tankers. The *Ray* Court prefaced its analysis of the state regulations with the following observation:

> "The Court's prior cases indicate that when a State's exercise of its police power is challenged under the Supremacy Clause, we start with the assumption that the historic police powers of the States were not to be superseded by the Federal Act unless that was the clear and manifest purpose of Congress.' *Rice* v. *Santa Fe Elevator Corp.*, 331 U. S. 218, 230 (1947)." 435 U. S., at 157.

The fragmentary quote from *Rice* does not support the scope given to it by the Court of Appeals or by respondents.

Ray quoted but a fragment of a much longer paragraph found in *Rice*. The quoted fragment is followed by extensive and careful qualifications to show the different approaches taken by the Court in various contexts. We need not discuss that careful explanation in detail, however. To explain the full intent of the *Rice* quotation, it suffices to quote in full the sentence in question and two sentences preceding it. The *Rice* opinion stated: "The question in each case is what the purpose of Congress was. Congress

legislated here in a field which the States have traditionally occupied. So we start with the assumption that the historic police powers of the States were not to be superseded by the Federal Act unless that was the clear and manifest purpose of Congress." 331 U. S., at 230 (citations omitted).

The qualification given by the word "so" and by the preceding sentences in *Rice* are of considerable consequence. As *Rice* indicates, an "assumption" of nonpreemption is not triggered when the State regulates in an area where there has been a history of significant federal presence. See also *Jones* v. *Rath Packing Co.*, 430 U. S. 519, 525 (1977) ("assumption" is triggered where "the field which Congress is said to have pre-empted has been traditionally occupied by the States"); *Medtronic, Inc.* v. *Lohr*, 518 U. S. 470, 485 (1996) (citing *Rice* in case involving medical negligence, a subject historically regulated by the States). In *Ray*, and in the case before us, Congress has legislated in the field from the earliest days of the Republic, creating an extensive federal statutory and regulatory scheme.

The state laws now in question bear upon national and international maritime commerce, and in this area there is no beginning assumption that concurrent regulation by the State is a valid exercise of its police powers. Rather, we must ask whether the local laws in question are consistent with the federal statutory structure, which has as one of its objectives a uniformity of regulation for maritime commerce. No artificial presumption aids us in determining the scope of appropriate local regulation under the PWSA, which, as we discuss below, does preserve, in Title I of that Act, the historic role of the States to regulate local ports and waters under appropriate circumstances. At the same time, as we also discuss below, uniform, national rules regarding general tanker design, operation, and seaworthiness have been mandated by Title II of the PWSA.

The *Ray* Court confirmed the important proposition that the subject and scope of Title I of the PWSA allows a State to regulate its ports and waterways, so long as the regulation is based on 'the peculiarities of local waters that call for special precautionary measures." 435 U. S., at 171. Title I allows state rules directed to local circumstances and problems, such as water depth and narrowness, idiosyncratic to a particular port or waterway. *Ibid.* There is no pre-emption by operation of Title I itself if the state regulation is so directed and if the Coast Guard has not adopted regulations on the subject or determined that regulation is unnecessary or inappropriate. This principle is consistent with recognition of an important role for States and localities in the regulation of the Nations waterways and ports. *E.g.*, *Cooley*, 12 How., at 319 (recognizing state authority to adopt plans 'applicable to the local peculiarities of the ports within their limits'). It is fundamental in our federal structure that states have vast residual powers. Those powers, unless constrained or displaced by the existence of federal authority or by proper federal enactments, are often exercised in concurrence with those of the national government. *McCulloch* v. *Maryland,* 4 Wheat. 316 (1819).

As *Ray* itself made apparent, the States may enforce rules governed by Title I of the PWSA unless they run counter to an exercise of federal authority. The analysis under Title I of the PWSA, then, is one of conflict preemption, which occurs 'when compliance with both state and federal law is impossible, or when the state law stands as an obstacle to the accomplishment and execution of the full purposes and objective of Congress.'" *California* v. *ARC America Corp.,* 490 U. S. 93, 100–101 (1989) (citations omitted). In this context, Coast Guard regulations are to be given pre-emptive effect over conflicting state laws. *City of New York* v. *FCC,* 486 U. S. 57, 63–64 (1988) ("[A] federal agency acting within the scope of its

congressionally delegated authority may pre-empt state regulation'and hence render unenforceable state or local laws that are otherwise not inconsistent with federal law"). *Ray* defined the relevant inquiry for Title I pre-emption as whether the Coast Guard has promulgated its own requirement on the subject or has decided that no such requirement should be imposed at all. 435 U. S., at 171–172; see also, *id.*, at 178 ("where failure of . . . federal officials affirmatively to exercise their full authority takes on the character of a ruling that no such regulation is appropriate or approved pursuant to the policy of the statute, States are not permitted to use their police power to enact such a regulation. *Bethlehem Steel Co.* v. *New York State Labor Relations Board,* 330 U. S 767, 774 (1947)"). *Ray* also recognized that, even in the context of a regulation related to local waters, a federal official with an overview of all possible ramifications of a particular requirement might be in the best position to balance all the competing interests. *Id.*, at 177.

While *Ray* explained that Congress, in Title I of the PWSA, preserved state authority to regulate the peculiarities of local waters if there was no conflict with federal regulatory determinations, the Court further held that Congress, in Title II of the PWSA, mandated federal rules on the subjects or matters there specified, demanding uniformity. *Id.*, at 168 ("Title II leaves no room for the States to impose different or stricter design requirements than those which Congress has enacted with the hope of having them internationally adopted or has accepted as the result of international accord. A state law in this area . . . would frustrate the congressional desire of achieving uniform, international standards"). Title II requires the Coast Guard to impose national regulations governing the general seaworthiness of tankers and their crews. *Id.*, at 160. Under *Ray*'s interpretation of the Title II PWSA provision now found at 46 U. S. C. §3703(a), only the

Federal Government may regulate the "design, construction, alteration, repair, maintenance, operation, equipping, personnel qualification, and manning" of tanker vessels.

In *Ray*, this principle was applied to hold that Washington's tanker design and construction rules were pre-empted. Those requirements failed because they were within a field reserved for federal regulation under 46 U. S. C. §391a (1982 ed.), the predecessor to §3703(a). We reaffirm *Ray*'s holding on this point. Contrary to the suggestion of the Court of Appeals, the field of pre-emption established by §3703(a) cannot be limited to tanker "design" and "construction," terms which cannot be read in isolation from the other subjects found in that section. Title II of the PWSA covers "design, construction, alteration, repair, maintenance, operation, equipping, personnel qualification, and manning" of tanker vessels. *Ibid.* Congress has left no room for state regulation of these matters. See *Fidelity Fed. Sav. & Loan Assn.* v. *De la Cuesta,* 458 U. S. 141 (1982) (explaining field pre-emption). As the *Ray* court stated: "[T]he Supremacy Clause dictates that the federal judgment that a vessel is safe to navigate United States waters prevail over the contrary state judgment. Enforcement of the state requirements would at least frustrate what seems to us to be the evident congressional intention to establish a uniform federal regime controlling the design of oil tankers." 435 U. S., at 165.

The existence of some overlapping coverage between the two titles of the PWSA may make it difficult to determine whether a pre-emption question is controlled by conflict pre-emption principles, applicable generally to Title I, or by field pre-emption rules, applicable generally to Title II. The *Ray* Court acknowledged the difficulty, but declined to resolve every question by the greater pre-emptive force of Title II. We follow the same approach, and conflict pre-

emption under Title I will be applicable in some, although not all, cases. We recognize that the terms used in §3703(a) are quite broad. In defining their scope, and the scope of the resulting field pre-emption, it will be useful to consider the type of regulations the Secretary has actually promulgated under the section, as well as the section's list of specific types of regulation that must be included. Useful inquiries include whether the rule is justified by conditions unique to a particular port or waterway. See *id.*, at 175 (a Title I regulation is one "based on water depth in Puget Sound or on other local peculiarities"). Furthermore, a regulation within the State's residual powers will often be of limited extraterritorial effect, not requiring the tanker to modify its primary conduct outside the specific body of water purported to justify the local rule. Limited extraterritorial effect explains why *Ray* upheld a state rule requiring a tug escort for certain vessels, *id.*, at 171, and why state rules requiring a registered vessel (*i.e.*, one involved in foreign trade) to take on a local pilot have historically been allowed, *id.*, at 159–160. Local rules not pre-empted under Title II of the PWSA pose a minimal risk of innocent noncompliance, do not affect vessel operations outside the jurisdiction, do not require adjustment of systemic aspects of the vessel, and do not impose a substantial burden on the vessel's operation within the local jurisdiction itself.

IV

The field pre-emption rule surrounding Title II and §3703(a) and the superseding effect of additional federal statutes are illustrated by the pre-emption of four of Washington's tanker regulations. We address these b e-cause the attempted reach of the state rules is well demonstrated by the briefs and record before us; other parts of the state regulatory scheme can be addressed on remand.

First, Washington imposes a series of training require-

ments on a tanker's crew. WAC §317–21–230; see also Appendix, *infra*, at ___. A covered vessel is required to certify that its crew has "complete[d] a comprehensive training program approved by the [State]." The State requires the vessel's master to "be trained in shipboard management" and licensed deck officers to be trained in bridge resource management, automated radar plotting aids, shiphandling, crude oil washing, inert gas systems, cargo handling, oil spill prevention and response, and shipboard fire fighting. The state law mandates a series of "weekly," "monthly," and "quarterly" drills.

This state requirement under WAC §317–21–230 does not address matters unique to the waters of Puget Sound. On the contrary, it imposes requirements that control the staffing, operation, and manning of a tanker outside of Washington's waters. The training and drill requirements pertain to "operation" and "personnel qualifications" and so are pre-empted by 46 U. S. C. §3703(a). Our conclusion that training is a field reserved to the Federal Government receives further confirmation from the circumstance that the STCW Convention addresses "training" and "qualification" requirements of the crew, Art. VI), and that the United States has enacted crew training requirements. *E.g.*, 46 CFR Pts. 10, 12, 13, 15 (1999).

The second Washington rule we find pre-empted is WAC §317–21–250; see also, Appendix, *infra*, at ___–___. Washington imposes English language proficiency requirements on a tanker's crew. This requirement will dictate how a tanker operator staffs the vessel even from the outset of the voyage, when the vessel may be thousands of miles from Puget Sound. It is not limited to governing local traffic or local peculiarities. The State's attempted rule is a "personnel qualification" pre-empted by §3703(a) of Title II. In addition, there is another federal statute, 33 U. S. C. §1228(a)(7), on the subject. It provides: "[N]o vessel . . . shall operate in the navigable

waters of the United States . . . , if such vessel . . . while underway, does not have at least one licensed deck officer on the navigation bridge who is capable of clearly understanding English." The statute may not be supplemented by laws enacted by the States without compromising the uniformity the federal rule itself achieves.

The third Washington rule we find invalid under field pre-emption is a navigation watch requirement in WAC §317–21–200. Washington has different rules for navigation watch, depending on whether the tanker is operating in restricted visibility or not. We mention the restricted visibility rule below, but now evaluate the requirement which applies in general terms and reads: '[T]he navigation watch shall consist of at least two licensed deck officers, a helmsman, and a lookout." The general watch requirement is not tied to the peculiarities of Puget Sound; it applies throughout Washington's waters and at all times. It is a general operating requirement and is preempted as an attempt to regulate a tanker's 'operation" and 'manning"under 33 U. S. C. §3703(a).

We have illustrated field pre-emption under §3703(a) by discussing three of Washington's rules which, under the current state of the record, we can determine cannot be enforced due to the assertion of federal authority found in that section. The parties discuss other federal statutory provisions and international agreements which also govern specific aspects of international maritime commerce. In appropriate circumstances, these also may have preemptive effect.

For example, the record before us reveals that a fourth state rule cannot stand in light of other sources of federal regulation of the same subject. Washington requires vessels that ultimately reach its waters to report certain marine casualties. WAC §317–21–130; see also Appendix, *infra*, at ___. The requirement applies to incidents (defined as a 'collision," 'allision," 'near-miss incident,"

'marine casualty" of listed kinds, 'accidental or inte n-tional grounding," 'failure of the propulsion or primary steering systems," 'failure of a component or control sy s-tem," 'fire, flood, or other incident that affects the vessel's seaworthiness," and 'spills of oil"), regardless of where in the world they might have occurred. A vessel operator is required by the state regulation to make a detailed report to the State on each incident, listing the date, location, and weather conditions. The report must also list the government agencies to whom the event was reported and must contain a 'brief analysis of any known causes" and a 'description of measures taken to prevent a reoccurrence." *Ibid.*

The State contends that its requirement is not pre-empted because it is similar to federal requirements. This is an incorrect statement of the law. It is not always a sufficient answer to a claim of pre-emption to say that state rules supplement, or even mirror, federal require-ments. The Court observed this principle when Commerce Clause doctrine was beginning to take shape, holding in *Sinnot* v. *Davenport,* 22 How. 227 (1859), that Alabama could not require vessel owners to provide certain infor-mation as a condition of operating in state waters even though federal law also required the owner of the vessel 'to furnish, under oath . . . all the information required by this State law." *Id.*, at 242. The appropriate inquiry still remains whether the purposes and objectives of the fe d-eral statutes, including the intent to establish a workable, uniform system, are consistent with concurrent state regulation. On this point, Justice Holmes' later observ a-tion is relevant: '[W]hen Congress has taken the partic u-lar subject matter in hand coincidence is as ineffective as opposition, and a state law is not to be declared a help because it attempts to go farther than Congress has seen fit to go." *Charleston & Western Carolina R. Co.* v. *Varn-ville Furniture Co.,* 237 U. S. 597, 604 (1915).

We hold that Congress intended that the Coast Guard regulations be the sole source of a vessel's reporting obligations with respect to the matters covered by the challenged state statute. Under 46 U. S. C. §6101, the Coast Guard "shall prescribe regulations on the marine casualties to be reported and the manner of reporting," and the statute lists the kinds of casualties that the regulations must cover. See also §3717(a)(4) (requiring the Secretary of Transportation to "establish a marine safety information system"). Congress did not intend its reporting obligations to be cumulative to those enacted by each political subdivision whose jurisdiction a vessel enters. The State's reporting requirement is a significant burden in terms of cost and the risk of innocent noncompliance. *The Roanoke*, 189 U. S. 185, 195 (1903) (the master of a vessel is in a position "such that it is almost impossible for him to acquaint himself with the laws of each individual State he may visit"). Furthermore, it affects a vessel operator's out-of-state obligations and conduct, where a State's jurisdiction and authority are most in doubt. The State reporting requirement under WAC §317–21–130 is pre-empted.

V

As to conflict pre-emption under Title I, Washington argues that certain of its regulations, such as its watch requirement in times of restricted visibility, are of limited extraterritorial effect and necessary to address the peculiarities of Puget Sound. On remand, the Court of Appeals or District Court should consider whether the remaining regulations are preempted under Title I conflict pre-emption or Title II field pre-emption, or are otherwise pre-empted by these Titles or under any other federal law or international agreement raised as possible sources of pre-emption.

We have determined that Washington's regulations

regarding general navigation watch procedures, English language skills, training, and casualty reporting are preempted. Petitioners make substantial arguments that the remaining regulations are preempted as well. It is preferable that the remaining claims be considered by the Court of Appeals or by the District Court within the framework we have discussed. The United States did not participate in these cases until appeal. Resolution of these cases would benefit from the development of a full record by all interested parties.

We infer from the record that Washington is not now enforcing its regulations. If, pending adjudication of the case on remand, a threat of enforcement emerges, the Court of Appeals or the District Court would weigh any application for stay under the appropriate legal standards in light of the principles we have discussed and with recognition of the national interests at stake.

When one contemplates the weight and immense mass of oil ever in transit by tankers, the oil's proximity to coastal life, and its destructive power even if a spill occurs far upon the open sea, international, federal, and state regulation may be insufficient protection. Sufficiency, however, is not the question before us. The issue is not adequate regulation but political responsibility; and it is, in large measure, for Congress and the Coast Guard to confront whether their regulatory scheme, which demands a high degree of uniformity, is adequate. States, as well as environmental groups and local port authorities, will participate in the process. See 46 U. S. C. §3703(a) (requiring the Coast Guard to consider the views of "officials of State and local governments," "representative of port and harbor authorities," and "representatives of environmental groups" in arriving at national standards).

The judgment of the Court of Appeals is reversed, and remand for further proceedings consistent with this opinion.

It is so ordered.

APPENDIX TO OPINION OF THE COURT

"1. Event Reporting— WAC 317–21–130. Requires operators to report all events such as collisions, allisions and near-miss incidents for the five years preceding filing of a prevention plan, and all events that occur thereafter for tankers that operate in Puget Sound.

"2. Operating Procedures— [Watch Practices WAC–317–21–200.] Requires tankers to employ specific watch and lookout practices while navigating and when at anchor, and requires a bridge resource management system that is the standard practice throughout the owner's or operator's fleet, and which organizes responsibilities and coordinates communication between members of the bridge.

"3. Operating Procedures— Navigation WAC— 317–21–205. Requires tankers in navigation in state waters to record positions every fifteen minutes, to write a comprehensive voyage plan before entering state waters, and to make frequent compass checks while under way.

"4. Operating Procedures— Engineering WAC— 317–21–210. Requires tankers in state waters to follow specified engineering and monitoring practices.

"5. Operating Procedures— Prearrival Tests and Inspections WAC— 317–21–215. Requires tankers to undergo a number of tests and inspections of engineering, navigation and propulsion systems twelve hours or less before entering or getting underway in state waters.

"6. Operating Procedures— Emergency Procedures WAC— 317–21–220. Requires tanker masters to post written crew assignments and procedures for a number of shipboard emergencies.

"7. Operating Procedures— Events WAC— 317–21–225. Requires that when an event transpires in state waters, such as a collision, allision or near miss incident, the

operator is prohibited from erasing, discarding or altering the position plotting records and comprehensive written voyage plan.

"8. Personnel Policies, Training— WAC— 317–21–230. Requires operators to provide a comprehensive training program for personnel that goes beyond that necessary to obtain a license or merchant marine document, and which includes instructions on a number of specific procedures.

"9. Personnel Policies— Illicit Drugs and Alcohol Use— WAC 317–21–235. Requires drug and alcohol testing and reporting.

"10. Personnel Policies— Personnel Evaluation— WAC 317–21–240. Requires operators to monitor the fitness for duty of crew members, and requires operators to at least annually provide a job performance and safety evaluation for all crew members on vessels covered by a prevention plan who serve for more than six months in a year.

"11. Personnel Policies— Work Hours WAC— 317–21–245. Sets limitations on the number of hours crew members may work.

"12. Personnel Policies— Language WAC— 317–21–250. Requires all licensed deck officers and the vessel master to be proficient in English and to speak a language understood by subordinate officers and unlicensed crew. Also requires all written instruction to be printed in a language understood by the licensed officers and unlicensed crew.

"13. Personnel Policies— Record Keeping WAC— 317–21–255: Requires operators to maintain training records for crew members assigned to vessels covered by a prevention plan.

"14. Management WAC— 317–21–260. Requires operators to implement management practices that demonstrate active monitoring of vessel operations and maintenance, personnel training, development, and fitness, and technological improvements in navigation.

"15. Technology WAC— 317–21–265. Requires tankers

to be equipped with global positioning system receivers, two separate radar systems, and an emergency towing system.

"16. Advance Notice of Entry and Safety Reports WAC— 317–21–540. Requires at least twenty-four hours notice prior to entry of a tanker into state waters, and requires that the notice report any conditions that pose a hazard to the vessel or the marine environment." 148 F. 3d, at 1053 (footnote omitted).

Anchorage Daily News

Friday, March 17, 2000

Facts needed to form cruise ship regulations

By MICHELE BROWN
and THOMAS BARRETT

Alaskans are concerned about how the cruise ship industry is affecting our air and water and what the industry is doing to control and mitigate the waste it creates. We need information. We need answers. We need sound waste management, and we need monitoring and verification.

The best way to get there is through an open, full discussion. That discussion takes a willingness by all parties involved to listen, a commitment to act and thoughtful analysis.

Three months ago we opened the dialogue to thoroughly review the industry's waste management and disposal practices and to publicly discuss what is being done and what should be done to improve the situation.

The Alaska Department of Environmental Conservation asked the U.S. Coast Guard, the U.S. Environmental Protection Agency and the Southeast Conference (a group representing Southeast Alaska communities) to join cruise industry officials for a discussion on ways to improve controls on ship pollution. Clear objectives were set out:

* First, identify the waste streams and spill risks that could affect Alaska's air and water resources.

* Second, develop pollution prevention and waste management solutions that will eliminate or reduce effects, including better technology and management practices.

* Third, asses what process is needed to verify compliance.

* Fourth, keep Alaskans informed.

Work groups have begun fact finding on air emissions, wastewater discharges, waste disposal management, oil spill prevention and response and environmental leadership. Those groups will prepare reports that will be widely circulated for public review and comment.

Once we have accurate facts that we know are sound, we can structure management and regulatory decision making upon that foundation. The work groups will make public reports on that aspect

of their work as well.

We're on an aggressive schedule. We want a good handle on all the facts when the first cruise ships arrive in Southeast in a few months. And we are seeing progress. The cruise ship industry committed to no waste discharge into so called "doughnut holes" - areas beyond our three-mile limit but within the inside waters of Southeast Alaska - and will stage additional oil pollution response equipment in Southeast.

Though we're all eager for solutions, casting blame or rushing to conclusions will only delay sound outcomes. Lots of ideas will be explored. That's exactly how it should work. Some recent press reports have focused on one or two of those ideas and expressed them as done deals. They aren't.

Some reports suggested that the cruise ship industry has been offered the option of solely voluntary compliance and an "enforcement shield," to protect against any enforcement action taken from data it submits to state or federal agencies. This is not the case. Full compliance with applicable laws and regulations has never been at issue.

We all want action. The Department of Environmental Conservation and the U.S. Coast Guard are critically concerned about the wastes that enter our environment from cruise ships. We are committed to determining proper monitoring procedures for cruise ship operations and to assessing water and air quality conditions to determine actual pollution levels and sources. However, we must be sure the actions we take do indeed protect our air, water and shoreline.

We all need to work together to collect and scrutinize the necessary facts upon which we can make the right decisions to monitor and control pollution. Work group members include local government, environmentalists, and industry and community members. The work group meetings are open. Please join us in that discussion.

q Michele Brown is commissioner of the Alaska Department of Environmental Conservation. U.S. Coast Guard Rear Admiral Thomas J. Barrett is commander, 17th Coast Guard District, Commander, U.S. Naval Forces Alaska. Work group activities can be tracked on the DEC's web site:
www.state.ak.us/local/akpages/ENV.CONSERV/

press/cruise/cruise.htm.

From: Colleen Bradley
To: BUTZ, PETER; O'BRIEN, TOM
Date: 3/7/00 7:02AM
Subject: Cruise ship pollution

From the New York Times, March 7, 2000 (I've given hard copies to Sven and Randy)

Pollution by Cruise Ships Still a Problem, Report Says

By DOUGLAS FRANTZ

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

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

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

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

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

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

In addition, the report said that Coast Guard inspectors were hampered by the size and complexity of the cruise ships. Ships using American ports are inspected four times a year, but the typical inspection lasts only four to six hours and must cover fire drills, life-boat launchings and record checks along with examination of anti-pollution equipment.

Federal officials told investigators that they were more worried about the millions of gallons of untreated "gray water" dumped legally by cruise ships each year.

Under federal and international regulations, ships can discharge gray water from sinks, showers, kitchens, laundries and other facilities anywhere, including in ports. Justice Department officials said a new definition of gray water might be necessary to reflect the growth of the industry since the regulations were written more than 20 years ago.

Last year, the Coast Guard began examining whether standards for dumping the untreated water needed to be tightened after complaints by environmental groups and Alaskans that discharges might threaten endangered whales and other marine life in Alaska's Inside Passage.

Tuesday's report dealt only with ocean pollution, but air pollution is also a growing concern. Last week, the Environmental Protection Agency said that all six major cruise lines that sail to Alaska violated state and federal air pollution laws last summer.

The alleged violations involved 13 ships and could lead to fines of up to $27,500 per ship per day. The companies have said they do not believe laws were broken.

U.S. agencies are playing a larger role in enforcing pollution laws because of what the report called a breakdown in regulation by the countries of registry, like Liberia and Panama. Cruise lines register ships in those countries to avoid American taxes and other rules. "While I'm encouraged that the industry is apparently more sensitive to environmental concerns, it is clear that self-policing and self-regulation have limits," said Dingell, the senior Democrat on the House Commerce Committee. "The Coast Guard is stretched thin and it may be that we will need to look at ways to increase their resources to guard against environmental abuses in the future."

United States
Environmental Protection
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Alaska
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EPA News Release

00-13

February 29, 2000

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CRUISE LINES VIOLATE AIR STANDARDS, EARN EPA REPRIMAND

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

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

The NOVs were issued to the following companies:

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

-more-

CORRECTION

THE FOLLOWING DOCUMENT(S)
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The EPA NOVs allege failure to comply with emission standards and failure to report excess emissions to the state. The companies will have the opportunity to meet with the EPA to discuss the violations before EPA takes any further enforcement action which could include compliance orders and/or assessment of penalties.

"Last year, over 550 cruises to southeast Alaska were taken by nearly 600,000 people from all corners of the earth," said EPA Regional Administrator Chuck Clarke. "Clearly, the strength of the cruise industry in Alaska is due entirely to the breathtaking beauty of the environment, the tourist industry's greatest asset.

"Since the cruise industry profits so handsomely from Alaskan environmental jewels it should understand that it needs to protect them as well."

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February 25, 2000

FOR ADDITIONAL INFORMATION, CONTACT:
John Hansen – (604) 681-2351

CRUISE INDUSTRY PROPOSES VOLUNTARY DISCHARGE POLICY THAT EXCEEDS STATE/FEDERAL STANDARDS

JUNEAU – The Alaska cruise ship industry has unveiled a voluntary water discharge policy that elevates discharge standards well beyond what is required by law.

The initiative was introduced during a two-day meeting with representatives from the Alaska Department of Environmental Conservation, the U.S. Coast Guard, environmental and community groups and the cruise ship industry. The new policy expands and confirms the commitments the industry introduced last December.

North West CruiseShip Association members told the gathering that the cruise ship lines serving Alaska are prepared to go well beyond compliance to ensure that Alaska's coastlines and harbors remain pristine. The new volunteer initiatives include:

- Development of initiatives for tertiary treatment of black water.
- Development of new systems to treat gray water.
- Expansion of incinerator systems to include food waste.
- Research and development of "green" diesels.

The new guidelines complement the voluntary standards set out by association members last year, including:

-MORE-

- Enhanced oil spill response program that includes staging $1.3 million in new response equipment in Southeast Alaska.

- No discharge of any gray or treated black water in any port in Alaska.
- Separation of waste streams.
- Disposal of solid wastes at landfills best equipped to handle the waste.
- Installation of oily waste separators that produce effluents with less than 15 parts-per-million oil.

These volunteer standards take Alaska cruise ship companies well beyond compliance with state and federal regulations.

The cruise ship association has volunteered to provide information on waste water discharges and, in cooperation with the Coast Guard, to develop a protocol for random sampling and testing of gray and treated black water. It supported a voluntary monitoring program for stack emissions, including particulates and sulfur dioxide.

"We understand that many Alaskans have questions about our operating procedures," said John Hansen, president of the North West CruiseShip Association. "Part of the problem is that we haven't adequately communicated what we're already doing and what we're prepared to do to make our operations even better.

"The bottom line is that we share a common goal. We want our operations to leave the smallest footprint possible on the environment because that's good for Alaska – and it's good for our business."

The association pledged support to gather baseline data on all sources of discharge, including onshore installations and marine sources.

The North West CruiseShip Association represents eight cruise lines serving Southeast and Southcentral Alaska. The member companies bring 97 percent of cruise ship visitors to Alaska.

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The New York Times 3Jan99

Gaps in Sea Laws Shield Pollution by Cruise Lines

Douglas Frantz

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

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

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

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

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

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

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

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

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

countries, one of the most prominent of which, Liberia, has been devastated by ethnic warfare and divided government most of the last decade. One Federal study found that **foreign countries took action in only 2 of 111 dumping cases referred to them by the United States**. Generally, flag countries have jurisdiction over ships in international waters and the United States asserts jurisdiction in its territorial waters.

These questions are raised just as concern is deepening that the industry's explosive growth is posing new threats to the environment, from the popular Caribbean to the pristine coastline of Alaska.

Royal Caribbean officials said the company had instituted tough new environmental compliance procedures. But the company did not succeed in having the case against it closed with its guilty plea. Instead, the company's discharge practices remain under investigation by Federal grand juries in Anchorage, Los Angeles, Miami and New York, according to a senior company official and its own recent filings with the Securities and Exchange Commission.

The outlines of the country's biggest ocean pollution investigation have been public since the company's admission of guilt. But the full extent of the dumping scheme, and the existence of the lobbying effort, was pieced together from court records in San Juan and Miami and from interviews with Federal officials and current and former Royal Caribbean employees.

The newest cruise ships carry 2,000 or more passengers and up to 1,000 crew members. Disposing of the waste they generate costs hundreds of thousands of dollars a year for each ship, which is one reason, authorities say, that crews sometimes disregard pollution laws.

In recent years other cruise lines have been fined at least six times for dumping oil and refuse. Last summer the Holland America Line, a division of the Carnival Corporation, pleaded guilty to discharging oily waste in Alaska's Inside Passage and paid $2 million in penalties. The Investigation Told of Discharge, Prosecutors Move In

Word that the Sovereign of the Seas had discharged oily waste in October 1994 reached the Justice Department in Washington the day after the incident. In three inspections that October day, the Coast Guard had seen oil in pipes and elsewhere indicating that oily waste had been sent directly overboard. Most convincingly, lab tests matched oil from the ship to a sample taken from the slick by a Coast Guard boat.

Royal Caribbean argued that the discharge was an isolated oversight. But Richard A. Udell, a career prosecutor in the Justice Department's environmental section, found indications to the contrary in Coast Guard data bases.

The records showed that more than a year before, on Feb. 1, 1993, a Coast Guard jet had spotted an oil slick behind the Nordic Empress, off the Bahamas en route to Miami. A videotape taken from the jet showed a slick that appeared to be a perfect match to the videotaped discharge from the Sovereign of the Seas. The Nordic Empress's officers had also denied discharging anything.

On Oct. 25, 1994, inspectors had videotaped the engine room of the Sovereign of the Seas in San Juan; four days later, when the ship arrived in Miami, a second videotape was taken. Comparing them, Mr. Udell noticed that a set of pipes present on Oct. 25 was gone on Oct. 29. Government experts determined that the **pipes had bypassed a critical anti-pollution device** known as an oil-water separator.

On any ship, oil drips from machinery and collects along with sea water in the bilges. The separator filters

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

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

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

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

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

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

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

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

The Defense Cruise Line Throws Big Guns Into Battle

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

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

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

that asserting American jurisdiction undermined international Law of the Sea and could lead other nations to interfere with American vessels, particularly military ships.

Some senior State and Pentagon officials agreed with the international law argument, but in a later legal brief, the Justice Department accused unnamed former Government officials on Royal Caribbean's payroll of providing incomplete and inaccurate information in those private sessions, something company lawyers deny.

A pre-indictment review is not unusual in a major case, and in this instance the Justice Department approved an indictment reduced to 10 counts. On Dec. 11, 1996, the grand jury in San Juan indicted Royal Caribbean and two engineers from the Sovereign of the Seas. The indictment accused the company of conducting a fleet-wide conspiracy to illegally discharge oily waste, but restricted most of the counts to the Sovereign of the Seas. The inquiry into the 1993 Nordic Empress discharge was shifted to a Federal grand jury in Miami.

Justice Department officials said Royal Caribbean's lobbying played no role in reducing the number of counts. "Like every other case, the appropriate charges were based solely on the facts and the law," said Myron Marlin, the department's chief spokesman. "In the end, the prosecution produced two criminal convictions, a record fine, and the case has had a ripple effect throughout the industry, not to mention that the investigation is still continuing."

Legal maneuvering intensified after the indictment. The company's team expanded to include four retired admirals, a former acting assistant attorney general, a former Coast Guard commandant and a former deputy assistant secretary for oceans at the State Department.

Many of these former officials filed affidavits saying the United States could not charge the company under international law. Some contacted former colleagues in a continuing effort to settle the case, according to court records and interviews.

Mr. Richardson, who was Attorney General under President Nixon and held other top Government posts, sought meetings with high-level Administration officials and acknowledged raising the issue with Thomas R. Pickering, the Under Secretary of State and an old friend.

"I mentioned it briefly to Tom Pickering," Mr. Richardson said. "The conversation was brief because the matter was in litigation."

The effort was international. An influential Norwegian family owns a large share of Royal Caribbean and its members helped enlist the Norwegian Government, people involved said. On March 12, 1997, a delegation from the Norwegian Embassy delivered a diplomatic note to the State Department seeking jurisdiction because the Sovereign of the Seas flies a Norwegian flag. They met with Mr. Pickering and other officials, people involved in the talks said.

Along with the prosecutors' steadfast contention that the United States had jurisdiction, they believed another reason not to cede authority was the poor record of flag countries on previous pollution referrals.

In 1992, the State Department had reviewed 111 cases in which accusations of cruise ships dumping garbage overboard had been referred to flag countries. The study found that the countries acknowledged receipt of the referral in only 35 cases and that the only penalties were small fines in two cases. As a result, the State Department halted referrals on dumping in United States territorial waters.

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

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

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

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

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

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

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

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

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

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

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

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

to yield to Government demands that it turn over the results of an internal inquiry, citing fears that employees would refuse to cooperate in future internal investigations. As a result, the company acknowledged, additional grand juries are contemplating similar charges.

The cruise line struggled to put the episode behind it. "We deeply regret our role in polluting the marine environment and we are particularly sorry for the attempts to conceal that pollution," Jack Williams, the company president, said in a statement. "These acts were inexcusable, they were wrong and we accept full responsibility for these violations."

But that effort hit a stunning shoal. On July 15, the company notified the Coast Guard that engineers aboard the Nordic Empress had tampered with pollution devices and discharged oily waste into the ocean. The company said a junior engineer had reported it.

When the Coast Guard questioned engineering personnel the next day, it was like stepping back in time. The chief engineer, Michael Psomadakis, a Greek citizen, denied that there had been a discharge and presented an oil record book that supported him, according to court records and a Coast Guard agent's affidavit. Mr. Psomadakis was served with a grand jury subpoena on the spot.

Two days later, the company held its own hearing and dismissed Mr. Psomadakis and another engineer. On July 19, company personnel escorted him to a Miami hotel to pick up his belongings for the trip home to Greece. He was given his passport and plane ticket and then evaded agents of the Federal Bureau of Investigation who were waiting to talk to him, simply by walking out another exit.

Nancy J. Wheatley, who was hired by Royal Caribbean last June as senior vice president for safety and the environment, and William K. Reilly, the former administrator of the Environmental Protection Agency, who joined the Royal Caribbean board last January, said in interviews that the company had implemented a vigorous new environmental compliance program under Government supervision.

Mr. Reilly said he believed the company's management was committed to cleaning up its past problems.

"Obviously everyone is chagrined about what has happened and somewhat stunned by the seriousness of the allegations," Mr. Reilly said. "The Justice Department set out to get Royal Caribbean's attention, and they got it."

Ms. Wheatley said the latest incident showed that the system was working, because a junior officer came forward and was supported by management.

"We know we don't have a business if the oceans aren't a beautiful place to go," Ms. Wheatley said.

But prosecutors were shocked. At a court hearing in September, they said the conduct, which was under investigation, demonstrated the difficulty in changing a pervasive culture of ingrained criminal conduct.

GRAPHIC: Photos: In 1994, a Coast Guard photograph, right, detected a possible oil discharge from Royal Caribbean's Sovereign of the Seas cruise ship, above, which led to a four-year inquiry into a fleet-wide conspiracy. (U.S. Coast Guard, below; Laura Kleinhenz for The New York Times)(pg. 1); A video of the engine room of the Sovereign of the Seas on Oct. 25, 1994, showed a pipe, upper right, that Government experts say was used to bypass a device that filters oil in the bilges. Four days later, a second video showed, the pipe had been removed. (United States Coast Guard)(pg. 20)

March 20, 2000

FOR ADDITIONAL INFORMATION, CONTACT:
John Hansen – (604) 681-2351

NWCA SHIPS WILL DELIVER MORE THAN $200 MILLION TO SOUTHEAST'S ECONOMY THIS SEASON

The cruise lines of the North West CruiseShip Association (NWCA) will inject more than $200 million into Southeast Alaska's economy this season.

Twenty-two member ships will bring an estimated 609,000 passengers to Southeast ports of call. Juneau should see more than $80 million flow into its economy with 379 dockings, a slight increase from 369 a year ago.

Skagway should experience a $60 million season with 320 NWCA dockings, delivering 533,504 passengers. An estimated 10,000 additional travelers will visit Ketchikan this season, adding $53 million to its economy.

Haines is expected to realize almost $10 million from NWCA operations, followed by Sitka with $11.3 million.

Four new NWCA ships will visit Southeast this season. The Ocean Princess will replace the Crown Princess. Ocean Princess, a 77,000-ton vessel finished this year, will carry 2,020 passengers and a crew of 900. Holland America introduces the Volendam, a 63,000-ton vessel launched last year that carries 1,440 passengers and a crew of 642. It replaces the Volendam and Noordam.

MORE

2000 CRUISE SEASON
NWCA SHIP LIST

Line	Ship	Tonnage	Passengers	Crew	Year Built	Refurbished
Carnival	Jubilee	47,262	1,486	670	1986	1998
Celebrity	Galaxy	76,522	1,896	908	1996	
	Mercury	77,713	1,870	908	1997	
Crystal	Harmony	49,400	1,006	545	1990	1997
Holland America	Nieuw Amsterdam	33,930	1,214	542	1983	1997
	Ryndam	55,451	1,266	588	1994	1997
	Statendam	55,451	1,266	588	1992	1998
	Veendam	55,540	1,264	588	1996	1998
	Volendam	63,000	1,440	618	1999	
	Westerdam	53,872	1,494	642	1986	
Norwegian	Nor. Sky	80,000	2,002	800	1999	
	Nor. Wind	50,764	1,748	617	1993	
Princess	Dawn Princ.	77,000	2,020	900	1997	
	Ocean Princ.	77,000	2,020	900	2000	
	Regal Princ.	69,845	1,596	696	1991	1998
	Sea Princ.	77,000	1,950	900	1998	
	Sky Princ.	46,314	1,184	550	1984	1998
	Sun Princ.	77,000	2,020	900	1995	1998
Radisson	Seven Seas Navigator	30,000	490	321	1998	
Royal Caribbean	Rhapsody of the Seas	78,491	2,000	765	1997	
	Vision of the Seas	78,491	2,000	765	1998	
World Explorer	Universe Explorer	23,879	734	365	1958	1995

CORRECTION

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NORTH WEST
CRUISESHIP
ASSOCIATION

March 20, 2000

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MORE

Norwegian Cruise Lines' Norwegian Sky will make 21 calls this season, replacing the Norwegian Dynasty. The Norwegian Sky is an 80,000-ton vessel finished last year, which carries 2,020 passengers and a crew of 800.

Radisson Seven Seas introduces the Seven Seas Navigator, a 30,000-ton vessel built in 1998, which carries 490 passengers and a crew of 321.

"These new, state-of-the-art ships will offer a quality shipboard experience for visitors to Alaska, along with the most advanced operational, safety and environmental systems," said John Hansen, NWCA president.

The member companies of the North West CruiseShip Association account for 97 percent of all cruise ship visitors to Alaska. Member companies include Carnival Cruise Lines, Celebrity Cruises, Crystal Cruises, Norwegian Cruise Line, Holland America Line, Princess Cruises, Radisson Seven Seas, Royal Caribbean and World Explorer Cruises.

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2000 CRUISE SEASON
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	Volendam	63,000	1,440	618	1999	
	Westerdam	53,872	1,494	642	1986	
Norwegian	Nor. Sky	80,000	2,002	800	1999	
	Nor. Wind	50,764	1,748	617	1993	
Princess	Dawn Princ.	77,000	2,020	900	1997	
	Ocean Princ.	77,000	2,020	900	2000	
	Regal Princ.	69,845	1,596	696	1991	1998
	Sea Princ.	77,000	1,950	900	1998	
	Sky Princ.	46,314	1,184	550	1984	1998
	Sun Princ.	77,000	2,020	900	1995	1998
Radisson	Seven Seas Navigator	30,000	490	321	1998	
Royal Caribbean	Rhapsody of the Seas	78,491	2,000	765	1997	
	Vision of the Seas	78,491	2,000	765	1998	
World Explorer	Universe Explorer	23,879	734	365	1958	1995

Cruise-related spending and costs
By local government

	Total 2000 Spending	1997 Government costs	1997 Net gain (loss)
Ketchikan (city and borough)	$52,800,000	$1,219,995	$2,466,505
Wrangell	291,515	41,950	(1,550)
Sitka	11,330,000	293,730	391,270
Juneau	80,300,000	1,296,850	2,957,150
Haines (city and borough)	9,685,740	281,351	142,649
Skagway	60,200,000	187,122	861,878
TOTAL	$214,607,250	$3,309,498	$6,840,702

Source: Cruise Industry Impacts on Local Government in Southeast Alaska, Prepared for Southeast Conference – January, 1998

1997 Cruise-related spending and tax revenues in Southeast Alaska

- Cruise ship passenger spending totaled $160 million during 1997, including $120 million in taxable spending.
- Cruise ship crew generated $10 million in taxable spending.
- Taxable spending in support of cruise line operations totaled just under $10 million in 1997. Cruise lines spent another $18 million on maritime services, medical services for crew, state/federal government fees and other non-taxable services.
- Sales tax revenues totaled $7 million in 1997.
- Port fees generated another $3.2 million in local government revenues.

Visitor industry creates 4,154 jobs for Southeast

	# of Jobs	Payroll (in millions of dollars)
Transportation		
Local & interurban passenger transport	248	$3.7
Water transportation	393	11.7
Air transportation	525	21.5
Transportation services	124	2.8
Retail		
General merchandise stores	50	1.0
Food stores	79	1.9
Apparel & accessory stores	40	0.6
Eating & drinking places	543	8.3
Miscellaneous retail	948	12.5
Services		
Hotels & other lodging places	1,105	17.8
Auto rentals	18	0.4
Amusement & recreation services	334	4.1
Total	4,407	$86.1
% attributable to pleasure visitors	94%	

VISITOR-RELATED EMPLOYEMENT IN SOUTHEAST **4,154 jobs**
$81.1 million payroll

Source: Economic Impacts of Alaska's Visitor Industry
May 1999 McDowell Group, Inc.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION

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Cruise-related spending by Southeast Alaska's local governments

- Southeast Alaska's local governments incur relatively few additional costs as a result of providing services to cruise lines, passengers and crew. In general, communities are able to provide basic services within their existing staffing and service infrastructure.

- Cruise passengers affect a broad range of local government services, including emergency medical services, public utilities and libraries, with police departments the most affected.

- The cost of providing these services is small compared to the local government revenues generated by the cruise industry.

- New costs associated with the cruise industry to local governments totaled $2.2 across the region.

- Direct overhead costs that can be allocated to the cruise industry totaled $1.2 million.

Source: Cruise Industry Impacts on Local Government in Southeast Alaska, Prepared for Southeast Conference – January, 1998

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May 1999 McDowell Group, Inc.

Southeast Alaska
Local Government Taxation

	Sales	Property	Bed	Other
Haines				
City	4.0%	5.85 mills	-	-
Borough	1.5%	4.50 mills	-	-
Total	5.5%	10.35 mills	-	-
Juneau	5.0%	12.02 mills	7.0%	3.0% liquor 6.0% tobacco
Ketchikan				
City	3.5%	5.86 mills	6.0%	-
Gateway Borough	2.0%	7.50 mills	4.0%	-
Total	5.5%	13.36 mills	10.0%	-
Petersburg	6.0%	10.00 mills	4.0%	-
Sitka	5.0%	6.00 mills	6.0%	2¢/gallon fuel
Skagway	4.0%	7.00 mills	8.0%	-
Wrangell	7.0%	12.00 mills	$4/night	

Southcentral Ports

Seward				
City	3.0%	3.12 mills	4.0%	-
Borough	2.0%	8.08 mills	-	-
Total	5.0%	11.20 mills	4.0%	
Valdez	-	20.00 mills	6.0%	-

How visitors get to Alaska

	Summer 1989	Summer 1990	Summer 1991	Summer 1992	Summer 1993	Summer 1994	Summer 1995	Summer 1996	Summer 1997	Summer 1998	Summer 1999
Domestic air	329,900	421,100	446,900	503,400	543,700	600,200	625,300	673,500	706,600	706,000	737,500
International air	22,500	22,500	21,800	20,400	19,600	19,100	17,700	31,200	29,000	27,500	31,900
Cruise ship	187,500	243,600	252,200	275,600	317,500	370,600	368,600	437,500	509,700	568,000	596,000
Alaska ferries	43,100	46,500	48,800	45,900	50,900	49.700	47,300	42,000	33,100	37,000	36,000
Highway	109,500	112,000	110,000	124,000	120,600	125,300	124,300	118,900	115,200	128,500	127,000

Source: Alaska Visitor Arrivals, Summer 1999 - McDowell Group

NORTH WEST
CRUISESHIP
ASSOCIATION

Background Paper on NWCA Environmental Initiatives

Several days ago, the Environmental Protection Agency (EPA) issued notices of violation (NOVs) to six member companies of the North West CruiseShip Association (NWCA), alleging that 13 of our ships emitted more smoke than allowed by law. This is an allegation NWCA members take very seriously and are determined to rectify. Unfortunately some media reports did not accurately report the complete story.

NWCA represents eight cruise lines that bring 97 percent of cruise ship visitors to Alaska. NWCA members brought more than 570,000 visitors to Alaska last year. This year, we expect to bring more than 600,000 visitors, who will inject more than $274 million into the state's economy. Cruise ships represent one of the few, real, growth industries in this state.

NWCA and its member companies are committed to operating in the most environmentally friendly manner possible. The association and its members have proposed several environmental initiatives that take the industry well beyond compliance, including:

- A voluntary water discharge policy that elevates discharge standards well beyond what is required by law.

- A voluntary enhanced oil spill response program that includes staging $1.3 million in new response equipment in Southeast Alaska. This cooperative program benefits the entire marine industry by making available additional response equipment and trained personnel.

- A policy of no discharge of any gray or treated black water in any port in Alaska.
- Separation of waste streams.
- Disposal of solid wastes at landfills best equipped to handle the waste.
- Agreement to treat all Inside Passage waters as territorial waters, including the so-called "doughnut holes."
- Installation of opacity meters on most ships that will log stack emissions during the season.
- Using "head" tax receipts to replicate the state's Department of Environmental Conservation's "Juneau Air Quality Sulfur Dioxide Monitoring Project," which was conducted in 1995.

In addition, NWCA members agreed to provide self-collected data to regulators on various waste streams and have previously installed oily waste separators that produce effluents with less than 15 parts-per-million oil. Members also support current legislation to eliminate TBT anti-fouling paint in Alaska waters. EPA's actions may compromise these cooperative efforts.

Background

Several years ago, NWCA implemented a voluntary program to monitor stack emissions. This program ran concurrently with a state-funded effort until 1996 when the legislature deleted the program based on DEC's findings that the cruise industry posed no significant air quality problems. Each year, NWCA contracts opacity readers in Southeast Alaska. When these readers find problems, they notify the lines, which then correct the problem.

NWCA collects this data because its members want their operations to be as noninvasive as possible. When the EPA requested copies of last summer's readings, the member lines

readily turned the data over. We thought we were all driven by a common goal to make our operations better.

For reasons NWCA doesn't fully understand, the EPA used the data we collected against our member lines to issue the NOVs, which are similar to indictments.

A science open to interpretation

Opacity reading is an inexact art that has evolved little since the 1800s. It involves comparing a ship's stack emission against a template. Readers are given one-to-two-days of training. Accurate readings are affected by a number of environmental conditions, including the background (mountains, for example, may skew the readings), the ship's angle and cloud conditions. Many NOVs are dismissed due to problems with opacity readings.

DEC conducted a scientific ambient air study in Juneau in 1995. Monitoring sites were located behind the Foodland Shopping Center near Egan Drive and in the playground of Capital Elementary School on Fifth Street. The study found that "at no time did any observed concentrations (of sulfur dioxide) exceed state or federal health standards. The highest measured concentration of sulfur dioxide for the project was 23 percent of the 24-hour health standard, and 15 percent of the three-hour health standard." It is worth noting that the highest reading from the Foodland site came on a day no ships were in port.

NWCA members support replicating this research this season, funded by Juneau's new "head" tax receipts.

EPA's actions raise serious concerns

Last December DEC Commissioner Michele Brown hosted a forum to discuss waste management and disposal practices of cruise ships. The forum included representatives from DEC, EPA, the Coast Guard, the Southeast Conference and the cruise ship industry. The forum led to formation of an Executive Steering Committee and four work groups. EPA has fully participated in the process. For the process to work effectively,

candid discussion and disclosure must take place among the regulators, the enforcers and the industry.

Two of the working groups have asked NWCA members to increase its self-monitoring and share the findings to improve environmental standards. EPA's decision to requisition our data and then use it against our member lines certainly diminishes the motivation to self-monitor, and undermines the larger objective of achieving improvements. We're prepared to cooperate as long as the data we collect is used for productive, not punitive goals. We need a protocol that shields our member lines while baseline figures are being developed. These types of shields are widely accepted as an effective way for regulators to improve many industries' environmental performance. They are common industry practices and our proposal is supported by the Southeast Pilots Association and the Alaska Conservation Council.

Committed to environmental excellence

The member companies of NWCA are firmly committed to operating in the most environmentally excellent manner possible. That's why we implemented the voluntary emission program and that's why we instituted an aggressive initiative program to minimize our impact on Alaska waterways. However, we believe it is fundamentally unfair to use our voluntary initiatives to punish us.

Despite EPA's disappointing action and the negative press it generated, NWCA's eight member lines remain committed to participating in a cooperative process with the state.

CRUISE SHIP REGULATION IN ALASKA

International cruise ships are subject to a strict regulatory framework. This begins with the International Maritime Organization (IMO), the United Nations' specialized agency responsible for improving maritime safety and preventing pollution from ships. The IMO adopts conventions and it is the responsibility of Governments to put these into effect and enforce them. These include:

1. The International Convention for the Safety of Life at Sea, 1974 (SOLAS)
2. The International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78)
3. The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 (STCW)

In waters subject to the jurisdiction of the United States, the Coast Guard is responsible for enforcing IMO rules as well as U.S. federal laws and regulations. This includes the U.S. Clean Water Act and EPA Clean Air Act. The Coast Guard inspects every cruise ship quarterly to verify compliance with safety and environmental regulations.

The U.S. Public Health Service, USDA, the U.S. Customs Service and INS also inspect and enforce regulations. The National Park Service requires permits that regulate ship operations in Glacier Bay

The State of Alaska requires that Alaska marine pilots be present on the bridge at all times while ships are in Alaska waters. Air emissions are subject to Alaska DEC and EPA regulation.

Cruise ships have aggressive environmental management programs which have been developed with the assistance of outside environmental and safety professionals. Underwriters and classification societies inspect and verify that systems and procedures are in place.

The average cruise ship is subject to over 60 inspections per year.
It is not accurate to claim that cruise ships are unregulated. Many layers of regulation has been developed by experts and implemented worldwide through these conventions, which are treaties in their own right. The Coast Guard is vigilant in enforcement and prosecutes offences.

Modern cruise ships have management systems in place for all waste streams. From solid waste to shower water, these systems ensure compliance with regulations and protection of the environment.

NORTH WEST
CRUISESHIP
ASSOCIATION

Memorandum on Waste Management Practices and Procedures in Alaska

November 30, 1999

North West CruiseShip Association

Memorandum on Waste Management Practices and Procedures in Alaska

North West CruiseShip Association

November 30, 1999

The member lines of the North West CruiseShip Association (NWCA) have been closely involved in development of the cruise industry waste management practices and procedures published by the International Council of Cruise Lines (ICCL). NWCA fully supports the practices and procedures set out in the paper and its member companies incorporate them into their own environmental management plans. NWCA represents eight cruise lines which bring 97 percent of cruise ship visitors to Alaska.

The ICCL paper makes reference to visiting "interesting places in the world" as integral to the cruise industry. This certainly applies to Alaska where guests come to enjoy not just the interesting places but the spectacular natural beauty of Alaska. Alaska is unique in many respects, and NWCA understands the importance of adapting operations to the Inside Passage and other areas of coastal Alaska.

With this in mind, there are some factors, additional to the ICCL paper, which are of particular interest or concern relating to waste management practices and procedures in Alaska.

Solid waste

The first relates to the disposal of solid waste. The current practice of our member lines is to collect on-board recyclable and non-incineratable solid waste and unload them in port for recycling or safe disposal. For the most part, very little is taken ashore in Southeast Alaska ports. Basically, the only shore disposal is through Juneau's private incineration company. Some pallet boards are recycled in Ketchikan. By far, the majority of the solid waste (and all hazardous waste) is unloaded at the port of Vancouver and disposed of and tracked by certified waste disposal companies. Those ships that home-port in other West Coast ports similarly dispose of waste in those ports according to the requirements in those jurisdictions. This practice will continue in the future. In addition, all the cruise lines, individually, constantly seek ways to minimize the volume of solid waste.

International Waters within the Inside Passage

Secondly, we want to address the matter of the "doughnut holes" that have received much attention in the media in recent days. These areas are, by definition, locations in the Inside Passage that are three miles or more from land, and therefore deemed to be International Waters, and not subject to the same environmental regulations as areas within U.S. territorial waters. The NWCA member lines have given careful thought to this issue. Our position is as follows: For the purpose of environmental management we will make it our policy to consider all areas of the Alaska Inside Passage, including the so-called "doughnut holes," to be part and parcel of the Inside Passage and the territorial waters of the U.S. As such, our operating practices and procedures will be no different in these locations compared to the rest of the Inside Passage. In other words, cruise ships will not discharge waste in these locations that would not be allowed in the territorial waters.

Ballast water

The third item relates to ballast water, and protection from release of non-indigenous species in Alaska waters. Cruise ships coming to Alaska follow a practice of discharging all ballast tank water that may contain tropical or other non-indigenous species before arrival in Vancouver, replacing it with Pacific northwest water. This practice is monitored by the Canadian Coast Guard. In the course of the Alaska cruise season, any ballast water taken on or released is strictly water of the Pacific northwest, and not subject to importation of species not native to this region.

Oil spill response

The fourth matter is spill response. Our member lines fully recognize the sensitive environment in the Inside Passage and the importance of having an effective response program in place. Each ship has a well established and Coast Guard-approved oil spill prevention program that is required by international treaty. Oil spill contingency planning for each ship is documented in the "Shipboard Oil Pollution Emergency Plan" which contains the procedures used for oil spill prevention and response. This plan covers training, equipment and planning for effective cleanup in the event of a spill.

In order to improve the effectiveness of oil spill response, NWCA members, in cooperation with Southeast Stevedoring and SEAPRO, have developed a cooperative spill response program in which the resources of each of the partners can be pooled for efficiency and more effective use in the event of an oil spill.

SEAPRO will outfit a number of barges with emergency response equipment for NWCA and moor the barges in strategic locations in the Inside Passage. Southeast Stevedoring will be provide a number of vessels of opportunity to transport the barges, deploy the booms and assist in spill response. SEAPRO will provide the overall management of these resources in addition to making their own equipment and trained personnel available. This cooperative program will be of benefit not only to the cruise industry but the entire marine industry in Southeast Alaska by making available additional response equipment and trained personnel for emergency response. To maintain a high state of readiness for the cruise industry program, annual response exercises will be conducted with the US Coast Guard.

Air emissions

The final item is air emissions. It is an important matter in Alaska, most notably in Juneau with its unique geography, but also throughout coastal Alaska. This is a complicated subject which does not lend itself to simple solutions. The elements include ships' power system characteristics, fuel, power requirements for maneuvering, operation and maintenance, number of ships in port, atmospheric conditions, objective observations and more. The cruise lines have invested in technology and operational practices over the years to reduce emissions. In order to continue to improve industry performance NWCA members are prepared, as group, in cooperation with the DEC, to establish a working group comprised of technical staff to examine the issue of air emissions.

North West CruiseShip Association
November 30, 1999

CRUISE INDUSTRY
WASTE MANAGEMENT
PRACTICES AND PROCEDURES

The cruise industry is dedicated to preserving the marine environment and oceans upon which our ships sail. As a stated industry policy, International Council of Cruise Lines (ICCL) members have adopted aggressive programs of waste minimization, waste reuse and recycling, and waste stream management. ICCL members are working in a number of areas to identify and implement new technologies in order to improve the environmental performance of our ships. ICCL member lines currently have policies in place which meet or exceed the stringent standards set forth in international treaties and applicable U.S. laws.

Introduction

The cruise industry is inextricably linked to the environment. Our business is to bring people to interesting places in the world, over the water. Recognizing the future of the industry depends on a clean and healthy environment, cruise industry senior management is committed to being stewards of the environment and setting policies that will make the industry a leader in environmental performance.

This policy document has been developed under the auspices of the industry's professional organizations, ICCL, the Florida Caribbean Cruise Association (FCCA), and the North West CruiseShip Association (NWCA). The goal of this document is to formalize cruise industry waste management practices.

In the development of industry management practices, the members of the ICCL have endorsed policy goals based upon the following fundamental principles:

- Fully comply with applicable laws and regulations
- Maintain cooperative relationships with the regulatory community
- Design ships to be environmentally friendly
- Embrace new technology
- Conserve resources through purchasing strategies and product management
- Minimize waste generated and maximize reuse and recycling
- Optimize energy efficiency through conservation and management
- Manage water discharges
- Educate staff, guests and the community.

Discussion

Just as on shore, ship operations and passengers generate waste as part of many daily activities. On ships, waste is generated while underway and in port. Because ships move, the management of these wastes becomes more complicated than for land-based activities, as the facilities and laws change with the location of the ship.

Facilities on the ships and management practices must be designed to take into account environmental laws and regulations around the world. Moreover, because waste management ultimately becomes a local activity, the local port infrastructure, service providers and local waste disposal vendors are factors in the decision-making processes.

On an international level, environmental processes are an important part of the International Maritime Organization's (IMO's) policies and procedures for the maritime industry. The cruise industry has incorporated environmental performance into Safety Management Systems (SMS) and MARPOL-mandated Waste Management Manuals. Under agreements and laws specific to many nations, these programs are routinely reviewed by port states to ensure compliance. For example, in the United States, the U.S. Coast Guard has jurisdiction over environmental matters in ports and waterways and conducts examinations that include review of environmental systems, SMS documentation and such MARPOL-mandated documents as the Oil Record Book and the Garbage Record Book.

The industry effort to develop management practices has focused on the traditional high volume wastes (garbage, graywater, blackwater and bilge water), pollution prevention and the small quantities of hazardous waste produced onboard. In the process, ICCL members have shared waste management strategies and technologies, while focusing on a common goal of waste reduction.

The process of waste reduction includes waste prevention, the purchasing of products that have recycled content or produce less waste, and recycling or reuse of wastes that are generated. The ultimate goal is to have the waste reduction culture absorbed into every facet of cruise vessel operation. A fully integrated system beginning with the design of the vessel must address environmental issues at every step.

Management practices for waste reduction must start before a product is selected. Eco-purchasing and packaging are vital to the success of any environmental program, as are strategies to change packaging, processes and management to optimize the resources used.

The commitment of the industry to this cooperative effort has been quite successful as companies have shared information and strategies.

Waste handling procedures

Hazardous wastes and waste streams onboard cruise vessels are identified and segregated for individual handling and management in accordance with appropriate laws and regulations. Hazardous wastes are not discharged overboard nor are they commingled or mixed with other waste streams.

Photo processing, including X-Ray development fluid waste

Discussion

There are several waste streams associated with photo processing operations that have the potential to be regulated under the Resource Conservation and Recovery Act (RCRA). These waste streams include spent fixer, spent cartridges, expired film and silver flake.

Photographic fixer removes the unexposed silver compounds from the film during the developing process. The spent fixer can have as much as 2000-3000 parts per million (ppm) of silver. Silver bearing waste is regulated by RCRA as a hazardous waste if the level of silver exceeds 5 ppm as determined by the Toxicity Characteristic Leaching Procedure (TCLP) test.

Silver recovery units are used to reclaim the silver from the used fixer waste stream. There are two types of recovery units. These are active (with electricity) and passive (without electricity) units. The active unit uses electricity to plate silver onto an electrode. The passive unit uses a chemical reaction between steel wool and silver to remove most of the silver from solution.

The effluent from the silver recovery process must be tested before it can be discharged. The regulatory limit for silver discharge is 5 ppm.

Industry goal: *To prevent the discharge of harmful quantities of silver or silver oxides into the marine environment.*

Handling method 1:
Treat used photographic and X-ray development fluids to remove silver for recycling.

Verify that the effluent from the recovery unit is less than 5 parts per million (ppm) silver as measured by EPA-approved methodology.

After treatment, the residual waste stream fluid is non-hazardous and may be landed ashore or discharged in accordance with the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78).

Handling method 2:
Assume used photographic and X-ray development fluids to be a hazardous waste and land ashore in accordance with the requirements of the Resource Conservation and Recovery Act (RCRA).

Next steps: To identify effective and efficient digital photo technology or other technologies to reduce hazardous waste stream generation.

Dry-cleaning waste fluids and contaminated materials

Discussion

Shipboard dry cleaning facilities use a chlorinated solvent called perchlorethylene (also known as PERC or tetrachloroethylene) as a dry cleaning fluid. This is the approved dry cleaning solvent for these units. Operators must receive specific required training for the correct use of this chemical and its associated precautions. This solvent must be used in accordance with all safety procedures including appropriate personal protective equipment (PPE).

The dry cleaning units produce a small volume of waste from the bottoms of the internal recovery stills and filter media. This waste is comprised of dirt, oils, filter material, and spent solvent. Each ship utilizing these dry-cleaning units produces approximately two pounds of waste material weekly. However, the amount may vary greatly by season and passenger load. This material is classified as hazardous waste under RCRA and must be handled accordingly.

Industry goal: *To prevent the discharge of chlorinated dry-cleaning fluids, sludge and contaminated filter materials into the environment.*

Handling method:
Perchloroethylene (PERC) and other chlorinated dry-cleaning fluids, contaminated sludge and filter materials are hazardous waste and are to be landed ashore in accordance with the requirements of RCRA.

Next steps: Research and investigate the use of alternative dry cleaning processes such as CO^2 and "wet" processes for use onboard ships.

Print shop waste fluids

Discussion

Print shop waste may contain hazardous waste. Printing solvents, inks and cleaners all may contain hydrocarbons, chlorinated hydrocarbons, and heavy metals that can be harmful to human and aquatic species. Recent advances in printing technology and substitution of chemicals that are less hazardous reduces the volume of print shop waste generated and reduces the impact of these waste products.

The cruise industry will, whenever possible, utilize both printing methods and the chemicals used in the printing process that produce both less volume of waste and less hazardous waste products. Shipboard printers will be trained in ways to minimize printing waste generated. Alternative printing inks such as soy based, non-chlorinated, hydrocarbon-based ink products will be used whenever possible. All printshop waste including waste solvents, cleaners and cleaning cloths will be treated as hazardous waste, if such waste contains chemical components that may be considered as hazardous by regulatory definitions. All other waste will be treated as non-hazardous.

Industry goal: *To prevent the discharge of harmful printing materials (inks) and cleaning chemicals into the environment.*

Handling method 1:
When using traditional or non-soy based ink and chlorinated solvents, treat all print shop waste as hazardous and discharge ashore in accordance with RCRA.

Handling method 2:
Use non-toxic based printing ink such as soy-based, non-chlorinated solvents, and other non-hazardous products to eliminate hazardous waste products.

Next steps: Increased use of non-toxic based printing ink and non-chlorinated solvents and other non-hazardous products to eliminate the hazardous waste component within the stream.

Photo copying and laser printer cartridges

Discussion

Increased use of laser and photo copying equipment on shore as well as onboard ship results in the generation of increased volumes of waste cartridges, inks and toner materials. Cruise ships should use only such inks, toners and printing/copying cartridges that contain non-hazardous chemical components. None of these cartridges or their components should be disposed of by discharge into the marine environment. In recognition of the industry's goal of waste minimization, these cartridges should, whenever possible, be returned to the manufacturer for credit, recycling or for refilling.

Industry goal: *To return photo copying and laser printer cartridges for recycling.*

Handling method:
Wherever possible, photo copying and laser printer cartridges will be collected, packaged and returned for recycling.

Unused and outdated pharmaceuticals

Discussion

In general ships carry varying amounts of pharmaceuticals. The pharmaceuticals range from over-the-counter products such as anti-fungal creams to prescription drugs such as epinephrine. Each ship stocks an inventory based on its itinerary and the demographics of its passenger base. All pharmaceuticals are managed to ensure that their efficacy is optimized and that disposal is done in an environmentally responsible manner.

When disposing of pharmaceuticals the method used must be consistent with established procedures. Pharmaceuticals and medications which are off specification or which have exceeded their shelf-life, and stocks that are unused and out of date, cannot be used for patients and therefore must be removed from the ship. Further, each regulatory jurisdiction has a posting of listed pharmaceuticals that must be considered hazardous waste once the date has expired or the item is no longer considered good for patient use.

Through onboard management of the medical facility, stocks of such listed pharmaceuticals are returned to the vendor prior to date of expiration. Pharmaceuticals that are being returned and which have not reached their expiration date are shipped using ordinary practices for new products.

Safety and health

The handling of all expired listed pharmaceuticals must be in accordance with established procedures and all personnel handling this waste must receive appropriate training in the handling of hazardous materials. As guidance, the U.S. Environmental Protection Agency (EPA) has issued a report that clarifies the fact that

residuals, such as epinephrine, found in syringes after injections are not considered an acutely hazardous waste by definition and may be disposed of appropriately in sharps containers. All Universal Precautions will be adhered to when handling sharps.

Industry goal: *To ensure that unused and/or outdated pharmaceuticals are effectively and safely disposed.*

Handling method 1:
Establish a reverse distribution system for returning unexpired, unopened non-narcotic pharmaceuticals to the original vendor.

Handling method 2:
Appropriately destroy narcotic pharmaceuticals onboard ship in a manner that is witnessed and recorded.

Handling method 3:
Land listed pharmaceuticals in accordance with local regulations. Listed pharmaceuticals are a hazardous waste having chemical compositions which prevent them from being incinerated or disposed of through the ships sewer systen . Listing of such pharmaceuticals may vary from state to state.

Handing method 4:
Dispose of other non-narcotic and non-listed pharmaceuticals through onboard incineration or landing ashore.

Fluorescent and mercury vapor lamp bulbs

Discussion

The recycling of fluorescent lights and high intensity discharge (HID) lamps is a proven technology capable of reliably recovering greater that 99 percent of the mercury in the spent lights. This is done by using a crush-and-sieve method. In this process, the spent tubes are first crushed and then sieved to separate the large particles from the mercury containing phosphor powder. The phosphor powder is collected and processed under intense heat and pressure. The mercury is volatized and then diluted to the required purity. The glass particles are segregated and recycled into fiberglass. Aluminum components are also recycled separately.

Storage and handling of used lights pose no compatibility problems; nevertheless, storage and shipment of the glass tubes is best done keeping the glass tubes intact. These items are classified as "universal waste" when they are shipped to a properly permitted recycling facility as such, testing is not required.

Safety and health

Fluorescent and mercury vapor lamps contain small amounts of mercury that could potentially be harmful to human health and the environment. To prevent human exposure and contamination of the environment, these lamps must be handled in an environmentally safe manner. Recycling of mercury from lamps and other mercury containing devices is the preferred handling method and is encouraged by various states. The recycling of fluorescent lights and HID lamps keeps potentially hazardous materials out of landfills, saves landfill space and reduces raw materials production needs.

Industry goal: *To prevent the release of mercury.*

Handling method:
Collect fluorescent and mercury vapor lamps for recycling or land disposal.

Batteries

Discussion

If not properly disposed of, spent batteries may constitute a hazardous waste stream. Most of the large batteries are on tenders and standby generators. Small batteries used in flashlights and other equipment and by passengers account for the rest. There are four basic types of batteries used.

Lead-acid batteries – These are used in tenders and standby generators. They are wet, rechargeable and usually six-celled. They contain a sponge lead anode, lead dioxide cathode and sulfuric acid electrolyte. The electrolyte is corrosive. These batteries require disposal as a hazardous waste, unless recycled or reclaimed.

Lead-acid batteries use sulfuric acid as an electrolyte. Battery acid is extremely corrosive, reactive and dangerous. Damaged batteries must be drained into an acid-proof container. The leaking battery is then placed in another acid-proof container, and both the electrolyte and the damaged battery placed in secure storage for proper disposal as a hazardous waste.

Nickel-cadmium (NiCad) batteries – These are usually rechargeable, and contain wet or dry potassium hydroxide as electrolyte. The potassium hydroxide is corrosive and the cadmium is a characteristic hazardous waste. Therefore, NiCad batteries must be disposed of as hazardous waste, unless recycled or reclaimed.

Lithium batteries – These are used as a power source for flashlights and portable electronic equipment. All lithium batteries must be disposed of as hazardous waste or sent out for reclamation.

Alkaline batteries – These are common flashlight batteries and are also used in many camera flash attachments, cassette recorders, etc. They should be recycled, properly disposed or reclaimed.

Discarded batteries must be isolated from the refuse waste stream to prevent potentially toxic materials from inappropriate disposal. The wet-cell battery-recycling program is kept separate from the dry battery collection process. Intact wet-cell batteries are sent back to the supplier. Dry-cell batteries are manifested to a licensed firm for recycling.

Industry goal: *To prevent the discharge of spent batteries into the marine environment.*

Handling method:
Collect spent batteries and return for recycling or land disposal.

Bilge and oily water residues

Discussion

The area of the ship at the very bottom of the hull is known as the bilge. The bilge is the area where water collects from various operational sources such as water lubricated shaft seals, propulsion system cooling, evaporators, and other machinery. All engine and machinery spaces also collect oil that leaks from machinery fittings and engine maintenance activities. In order to maintain ship stability and eliminate potential hazardous conditions from oil vapors in engine and machinery spaces, the bilge spaces must be periodically pumped dry. In discharging bilge and oily water residues, both international regulations (MARPOL) and United States regulations require that the oil content of the discharged effluent be less than 15 parts per million and that it not leave a visible sheen on the surface of the water.

All ships are required to have equipment installed onboard that limits the discharge of oil into the oceans to 15 parts per million when a ship is en route and provided the ship is not in a special area where all discharge of oil is prohibited. Regulations also require that all oil or oil residues, which cannot be discharged in compliance with these regulations, be retained onboard or discharged to a reception facility. The equipment and processes implemented onboard cruise ships to comply with these requirements are complex and sophisticated.

Industry goal: *To meet and exceed the international requirements for removing oil from bilge and wastewater prior to discharge.*

Handling method:
Process bilge and oily water residue prior to discharge to remove oil residues, such that oil content of the effluent is less than 15 ppm as specified by MARPOL Annex 1.

Glass, cardboard, aluminum and steel cans

Discussion

Management of shipboard generated waste is a challenging issue for all ships at sea. This is true for cruise vessels, other commercial vessels, military ships, fishing vessels and recreational boats. Waste products in earlier days were made from natural materials and were mostly biodegradable. Today's packaging of food and other products presents new challenges for waste management. A large cruise ship today can carry over 3000 passengers and crew. Each day, an average cruise passenger will generate two pounds of dry trash and dispose of two bottles and two cans.

A strategy of source reduction, waste minimization and recycling has allowed the cruise industry to significantly reduce shipboard generated waste. To attain this, cruise ship operators are adopting a multifaceted strategy that begins with waste minimization to decrease waste from provisions brought onboard. This means purchasing in bulk, encouraging suppliers to utilize more efficient packaging, reusable packaging and packaging materials that are more environmentally friendly – those that can be more easily disposed of or recycled. In fact, through this comprehensive strategy of source reduction, total waste on passenger vessels has been reduced by nearly half over the past ten years.

Another important component of the industry's waste reduction strategy is product or packaging recycling. Glass, aluminum, other metals, paper, wood and cardboard are, in most cases, recycled.

Industry goal: *To eliminate the disposal of MARPOL Annex V wastes into the marine environment through improved reuse and recycling opportunities.*

Handling method:
Handle in accordance with the above industry goal or otherwise comply with the strict requirements of MARPOL when in international waters.

Incinerator ash

Discussion

Incinerator ash is not normally a hazardous waste. Through relatively straightforward waste management strategies, items that would cause the ash to be hazardous are separated from the waste stream and handled according to accepted hazardous waste protocols. In general, source segregation for waste streams is one of the foundation stones for onboard waste management and is incorporated into the waste management manual required by MARPOL. Waste management for onboard waste streams include the following: source reduction, minimization, recycling, collection, processing and discharge ashore. This allows the incinerator to be used primarily for food waste, contaminated cardboard, trash and wood.

Incinerator ash should be tested at least once quarterly for the first year of operation to establish a baseline. Testing may then be conducted once a year. A recognized test procedure should be used to demonstrate that ash is not a hazardous waste. The test may include the following metals as indicators for toxicity: arsenic, barium, cadmium, chromium, lead, mercury, selenium, and silver. Special attention is placed on the removal of batteries from the incinerator waste stream. The use of incinerators saves landfill space and prevents the build-up of material onboard that could become the breeding ground for insects, rodents and other vermin.

Industry goal: *To reduce the production of incinerator ash by minimizing the generation of waste and maximizing recycling opportunities.*

Handling method:
Proper hazardous waste management procedures onboard assure that waste products that will result in a hazardous ash are not introduced into the incinerator. Non-hazardous incinerator ash may be disposed of at sea in accordance with MARPOL Annex V. Ash identified as being hazardous must be disposed of ashore in accordance with RCRA.

Graywater

The term graywater is used on ships to refer to wastewater that is generally incidental to the operation of the ship. The International Maritime Organization (IMO) defines graywater as including drainage from dishwasher, shower, laundry, bath and washbasin drains. The U.S. Clean Water Act (formally know as the Federal Water Pollution Control Act) includes galley, bath and shower water in its definition. The U.S. regulations

implementing this act do not include a further definition of gray water. However, the regulations do include a provision that exempts all of the wastewater included in the IMO definition and other discharges incidental to the operation of a ship from the Clean Water Act's permitting program (formally known as the National Pollution Discharge Elimination System (NPDES) program). Finally, the US Coast Guard regulations include provisions that essentially combine the two definitions from the IMO and the Clean Water Act. These definitions indicate that there is global acceptance of the fact that gray water is not considered harmful to the environment. None of the definitions of graywater include blackwater (discussed below) or bilgewater from the machinery spaces.

The conclusion to be drawn from these various regulations is that wastewater discharges incidental to the operation of a ship are generally not subject to permitting or other regulatory programs.

Handling method:
Graywater will be discharged only while ships are underway.

Blackwater

Most cruise ships separate waste from toilets, urinals, and other similar facilities (including sinks and drains in the medical facility) from other wastewaters. This separated waste is called "blackwater."

Blackwater is processed using an approved "Marine Sanitation Device" (MDS) that is intended to prevent the discharge of untreated or inadequately treated blackwater. Marine Sanitation Devices use physical, chemical and/or biological processes to allow effluent from the process to be discharged with characteristics that are similar to effluents from conventional, shoreside wastewater treatment plants.

All MSDs are certified and approved by the U.S. Coast Guard. The U.S. Coast Guard consults with the Environmental Protection Agency in evaluating processes used by MSDs.

The U.S. Coast Guard regularly inspects MSDs while onboard ships for proper operation during their Control Verification Examinations. If the Coast Guard has reason to believe that an MSD is not properly operating, it can require the vessel owner to have the effluent sampled and analyzed by a qualified wastewater laboratory, with the results reported to the Coast Guard.

Handling method:
Blackwater will be discharged only while underway and in accordance with applicable regulations.

Conclusion

This paper has presented an overview of most waste management practices and procedures utilized onboard the cruise ships operated by members of the International Council of Cruise Lines. We are constantly working to improve waste management handling procedures.

HB 377

HB 377

TONY KNOWLES

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 12, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

Recent major oil spills on the Alaska Railroad and from a large fishing vessel in Dutch Harbor illustrate the need to mend Alaska's oil spill prevention and response safety net. Alaska has arguably the world's best spill prevention and response program, but only for vessels that carry oil as cargo (tank vessels), and for land-based oil facilities such as oil wells, pipelines, refineries and large tank farms. That safety net does not exist for any other oil carrier, including larger fishing boats, container and cruise ships, or the Alaska Railroad, regardless of the volumes they may carry and the fact they travel in some of the most pristine and resource-rich areas of the state.

Most of Alaska's oil spills come from carriers that are not required to prepare for spill response. Since 1995, 93 spills totaling 5,286 gallons of oil came from regulated vessels and facilities. During this same period, 945 spills totaling 258,000 gallons of oil pollution came from unregulated carriers.

This bill strengthens Alaska's safety net by extending the oil discharge prevention and contingency plan requirements and proof of financial responsibility requirements to larger non-tank vessels, and to railroads transporting oil in bulk.

Specifically, the non-tank vessels covered by this bill are defined as any watercraft of 300 or greater gross registered tons with an oil storage capacity of more than 6,000 gallons. These vessels include larger cargo and cruise ships, fish processors, and public vessels engaged in commerce, such as the Alaska State Ferries. The bill requires these vessels to plan to respond within 48 hours to an oil spill of 15% of its maximum oil storage capacity, and clean up the discharge as quickly as possible with minimal damage to the environment. Vessel operators must also be financially able to respond to damages resulting from a spill.

Similarly, a railroad transporting oil as cargo would be required to plan to contain and control 15% of the oil storage capacity of the largest train within 48 hours and to clean up the spill as fast as possible. Railroads must demonstrate the financial ability to respond to damages based on the amount and type of oil transported.

The contingency plan requirements of the bill take effect June 1, 2001, allowing time to implement regulations with comments from the public and affected oil carriers. The new financial responsibility requirements take effect September 1, 2000.

Alaska is the only state on the West Coast that has not extended its contingency plan and financial responsibility laws to include these vessels. In light of recent spills from these vessels in our waters, and from the railroad on our land, it is time we act to strengthen our laws. Prevention and response preparedness do make a significant difference in the number and consequences of oil spills.

Sincerely,

Tony Knowles
Governor

No: 2

FISCAL NOTE

Bill Version: HB 377
(H) Publish Date: 2/16/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected DOT&PF
Title Spill Response for Non-Tanker Vessels BRU Alaska Marine Highway System
Component Southeast & Southwest Vessel Operatio
Sponsor Rules Committee
Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	125.0	125.0	125.0	125.0	125.0	125.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	125.0	125.0	125.0	125.0	125.0	125.0
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						
Other Oil Spill Response Fund	125.0	125.0	125.0	125.0	125.0	125.0
TOTAL	125.0	125.0	125.0	125.0	125.0	125.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This represents the estimated cost to the Alaska Marine Highway System to contract for oil spill response services to meet the requirements of this bill.

Prepared by: Dennis Poshard, Special Assistant to the Commissioner Phone 465-3904
Division Commissioner's Office Date/Time 2/10/00 4:20 PM
Approved by Commissioner Kurt Parker Date _____
Agency Joseph L. Perkins, DOT&PF

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FISCAL NOTE

No: 1

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Bill Version: HB 377
(H) Publish Date: 2/16/00

Revision Date/Time (Note if correction)		Dept. Affected:	Environmental Conservation
Title	"An Act requiring oil discharge prevention and contingency plans...for non-tank vessels and railroad..."	BRU	Spill Prevention & Response
		Component	Industry Preparedness & Pipeline Program
Sponsor	Rules Committee		
Requester	Governor	Component No.	1922

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	168.5	168.5	168.5	168.5	168.5	168.5
Travel	19.8	19.8	19.8	19.8	19.8	19.8
Contractual	127.7	37.7	37.7	37.7	37.7	37.7
Supplies	3.3	3.3	3.3	3.3	3.3	3.3
Equipment	19.5	3.7	3.7	3.7	3.7	3.7
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	338.8	233.0	233.0	233.0	233.0	233.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1052 Oil/Haz FD	338.8	233.0	233.0	233.0	233.0	233.0
TOTAL	338.8	233.0	233.0	233.0	233.0	233.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	3	3	3	3	3	3
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Fiscal Impact: Three (3) full time positions will be required to draft and administer regulations for approximately 50 new nontank vessel operators and railroads. Two Environmental Specialists III will be located in Anchorage to initially develop regulations, and will then subsequently review and approve individual oil discharge prevention and contingency plans, inspect vessels and railroad facilities, and conduct and evaluate spill response drills. One Environmental Specialist II in Juneau will initially assist in developing regulations, and will subsequently review financial responsibility documentation and maintain the associated database, and conduct southeast vessel inspections. During the first year, $90.0 for professional services contracts is included to assist in the negotiated rule making process and technical issues associated with the regulations. Other contractual funds cover position support costs and technical assistance with inspections and spill response drills.

Economic Impact: This bill will require some operators to incur additional costs for oil spill response equipment, contracts with spill response organizations if they are not already voluntarily meeting the regulatory standard, and costs to obtain and demonstrate proof of financial responsibility.

Prepared by:	Larry Dietrick	Phone	465-5250
Division	SPAR	Date/Time	2/9/00 4:59 PM
Approved by	Commissioner [signature]	Date	2-10-00
Agency	Department of Environmental Conservation		

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Personal Services Component Summary

FY: 2001
Scenario: FY2001 Legislative Fiscal Note Info
Department: Environ Conservation

BRU: Spill Prevention and Response
Component: Industry Prep. & Pipeline Op. (1922)

Line 100 Summary:

Salaries:	125,796
Benefits:	42,711
Premium Pay:	0
COLA:	0
Pre-vacancy total:	168,507
Minus 0.00% vacancy:	(0)
Post-vacancy total:	168,507
Lump sum prem. pay:	0
Total Line 100:	168,507
Change Record Total:	0.0
Total Component Months:	36.0

Active Positions:

	Existing	New	Transferred In	Total Positions
Full Time:	0	3	0	3
Part Time:	0	0	0	0
Non-Perm:	0	0	0	0
Total:	0	3	0	3

Inactive Positions:

	Deleted	Transferred Out
Full Time:	0	0
Part Time:	0	0
Non-Perm:	0	0
Total:	0	0

Split Positions:

	Counted	Not Counted	Total Splits
Full Time:	0	0	0
Part Time:	0	0	0
Non-Perm:	0	0	0
Total:	0	0	0

Component PCN Funding Summary:

		Amount	w/Vacancy
1004	General Fund Receipts	168,507	168,507
		168,507	168,507

Component PCN Summary:

PCN	Status	Job Title	Rng	Stp	BU	Pos	Split	Location	Mths	Salary	Prem	COLA	Benes	Total
18-#004	N	[No job title provided]	18	A	GG	FT		Anchorage	12.0	43,860	0	0	14,617	58,477
18-#005	N	[No job title provided]	16	A	GG	FT		Juneau	12.0	38,076	0	0	13,477	51,553
18-#006	N	[No job title provided]	18	A	GG	FT		Anchorage	12.0	43,860	0	0	14,617	58,477

Status Key: N=New D=Deleted TI=Transferred-in TO=Transferred-out

Personal Services Detail For PCN 18-#004

FY: 2001
Scenario: FY2001 Legislative Fiscal Note Info (890)
Department: Environ Conservation

BRU: Spill Prevention and Response
Component: Industry Prep. & Pipeline Op. (1922)

Position Detail:

Position Status:	New	Budgeted Months:	12.0
Bargaining Unit:	GG General Gov't Employees	Component Months:	12.0
Class:	#0018 [No Job Title Provided]	Merit Date:	none
Location:	EBA Anchorage	Salary Change Date:	none
Position Type:	FACL Full Time	Calculation Method:	Monthly - Steps and Months
Retirement:	A PERS Other	Range / Step 1:	18 A 3,655.00/mth. for 12.0 mths.
Salary Schedule:	1A BASE	Range / Step 2:	
Strike C...	... I		
Overtime Eligible:	Yes	Total Salary:	43,860
Position Frozen:	No	Total Premium Pay:	0
Position Split:	No	Total Benefits:	14,617
Project:		Total COLA:	0
Region:		Total Position Cost:	58,477

Premium Pay:

Overtime Pay:	0.00	Hours: 0.00	Higher Class Pay:	0.00
Graveyard Pay:	0.00	Mths: 0.00	Standby Pay:	0.00
Swing Shift Pay:	0.00	Mths: 0.00	Subsistence Pay:	0.00
Hazardous Pay:	0.00		Additional Pay:	0.00
Seaduty Pay:	0.00		Total Premium Pay:	0

Benefits:

Department Benefits:	FULL		Statewide Benefits:	FULL	
Leave Cash-In:	1.36% =	596.50	Health Insurance:	488.50 / Mth.=	5,862.00/ Yr.
Risk Management:	0.82% =	359.65	Life Insurance:	1.54 / Mth.=	18.48/ Yr.
Unemployment Insurance:	0.42% =	184.21	Legal Trust Fund:	8.00 / Mth.=	96.00/ Yr.
Term Leave:	1.88% =	824.57	Total Statewide Benefits:	498.04 / Mth.=	5,976.48/ Yr.
Short Term Non Perm:	0.00% =	0.00			
Unique Rate:	0.00% =	0.00	SBS Benefits:	FULL	
Bargaining Unit Override Rate:	0.00% =	0.00	Supplement Benefits:	6.13% =	2,688.62
Total Department Benefits:	4.48% =	1,964.93	Medicare Deduction:	FULL	
			Medicare Cost:	1.00% =	438.60
Retirement Benefit:	FULL				
Retirement Benefit:	8.09% =	3,548.27	Total Benefits:	14,617	

Notes: [none]

Position Justification:

Funding Detail:		Percent	Amount
1004 General Fund Receipts		100.00%	58,477.00
	Total Funding:	100.00%	58,477.00

Personal Services Detail For PCN 18-#005

FY: 2001
Scenario: FY2001 Legislative Fiscal Note Info (890)
Department: Environ Conservation
BRU: Spill Prevention and Response
Component: Industry Prep. & Pipeline Op. (1922)

Position Detail:

Position Status:	New	Budgeted Months:	12.0
Bargaining Unit:	GG General Gov't Employees	Component Months:	12.0
Class:	#0016 [No Job Title Provided]	Merit Date:	none
Location:	AWA Juneau	Salary Change Date:	none
Position Type:	FACL Full Time	Calculation Method:	Monthly - Steps and Months
Retirement:	A PERS Other	Range / Step 1:	16 A 3,173.00/mth. for 12.0 mths.
Salary Schedule:	1A BASE	Range / Step 2:	
Strike Class:	1		
Overtime Eligible:	Yes	Total Salary:	38,076
Position Frozen:	No	Total Premium Pay:	0
Position Split:	No	Total Benefits:	13,477
Project:		Total COLA:	0
Region:		Total Position Cost:	51,553

Premium Pay:

Overtime Pay:	0.00	Hours: 0.00	Higher Class Pay:	0.00
Graveyard Pay:	0.00	Mths: 0.00	Standby Pay:	0.00
Swing Shift Pay:	0.00	Mths: 0.00	Subsistence Pay:	0.00
Hazardous Pay:	0.00		Additional Pay:	0.00
Seaduty Pay:	0.00		Total Premium Pay:	0

Benefits:

Department Benefits:	FULL		Statewide Benefits:	FULL	
Leave Cash-In:	1.36% =	517.83	Health Insurance:	488.50 / Mth.=	5,862.00/ Yr.
Risk Management:	0.82% =	312.22	Life Insurance:	1.54 / Mth.=	18.48/ Yr.
Unemployment Insurance:	0.42% =	159.92	Legal Trust Fund:	8.00 / Mth.=	96.00/ Yr.
Term Leave:	1.88% =	715.83	Total Statewide Benefits:	498.04 / Mth.=	5,976.48/ Yr.
Short Term Non Perm:	0.00% =	0.00			
Unique Rate:	0.00% =	0.00	SBS Benefits:	FULL	
Bargaining Unit Override Rate:	0.00% =	0.00	Supplement Benefits:	6.13% =	2,334.06
Total Department Benefits:	4.48% =	1,705.80	Medicare Deduction:	FULL	
			Medicare Cost:	1.00% =	380.76
Retirement Benefit:	FULL				
Retirement Benefit:	8.09% =	3,080.35	Total Benefits:	13,477	

Notes: [none]

Position Justification:

Funding Detail:

	Percent	Amount
1004 General Fund Receipts	100.00%	51,553.00
Total Funding:	100.00%	51,553.00

Personal Services Detail For PCN 18-#006

FY: 2001
Scenario: FY2001 Legislative Fiscal Note Info (890)
Department: Environ Conservation
BRU: Spill Prevention and Response
Component: Industry Prep. & Pipeline Op. (1922)

Position Detail:

Position Status:	New	Budgeted Months:	12.0
Bargaining Unit:	GG General Gov't Employees	Component Months:	12.0
Class:	#0018 [No Job Title Provided]	Merit Date:	none
Location:	EBA Anchorage	Salary Change Date:	none
Position Type:	FACL Full Time	Calculation Method:	Monthly - Steps and Months
Retirement:	A PERS Other	Range / Step 1:	18 A 3,655.00/mth. for 12.0 mths.
Salary Schedule:	1A BASE	Range / Step 2:	
Strike Class:	1		
Overtime Eligible:	Yes	Total Salary:	43,860
Position Frozen:	No	Total Premium Pay:	0
Position Split:	No	Total Benefits:	14,617
Project:		Total COLA:	0
Region:		Total Position Cost:	58,477

Premium Pay:

Overtime Pay:	0.00	Hours: 0.00	Higher Class Pay:	0.00	
Graveyard Pay:	0.00	Mths: 0.00	Standby Pay:	0.00	
Swing Shift Pay:	0.00	Mths: 0.00	Subsistence Pay:	0.00	
Hazardous Pay:	0.00		Additional Pay:	0.00	
Seaduty Pay:	0.00		Total Premium Pay:	0	

Benefits:

Department Benefits: FULL			Statewide Benefits: FULL		
Leave Cash-In:	1.36% =	596.50	Health Insurance:	488.50 / Mth.=	5,862.00/ Yr.
Risk Management:	0.82% =	359.65	Life Insurance:	1.54 / Mth.=	18.48/ Yr.
Unemployment Insurance:	0.42% =	184.21	Legal Trust Fund:	8.00 / Mth.=	96.00/ Yr.
Term Leave:	1.88% =	824.57	Total Statewide Benefits:	498.04 / Mth.=	5,976.48/ Yr.
Short Term Non Perm:	0.00% =	0.00			
Unique Rate:	0.00% =	0.00	SBS Benefits: FULL		
Bargaining Unit Override Rate:	0.00% =	0.00	Supplement Benefits:	6.13% =	2,688.62
Total Department Benefits:	4.48% =	1,964.93	Medicare Deduction: FULL		
			Medicare Cost:	1.00% =	438.60
Retirement Benefit: FULL					
Retirement Benefit:	8.09% =	3,548.27	Total Benefits:	14,617	

Notes: [none]

Position Justification:

Funding Detail:	Percent	Amount
1004 General Fund Receipts	100.00%	58,477.00
Total Funding:	100.00%	58,477.00

District 18

Representative Brian Porter
Speaker of the House of Representatives
21st Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

February 12, 2000

Dear Representative Porter

I am a retired Department of Fish and Game fisheries biologist and a 40 year resident of Alaska. The recent major spills of jet fuel by the Alaska Railroad near the Susitna River prompted a closer examination of this issue. I was astonished to learn of the tremendous quantity of jet fuel being transported over a railroad that suffers from a myriad of engineering problems, especially during the winter.

Hopefully the attached information that I have assembled will provide some useful perspective regarding this issue. This response is triggered by my love for sportfishing and concern over the environmental threat to important fishery and other aquatic resources traversed by the railroad.

I applaud the efforts of the administration and legislature to insure that the Alaska Railroad Corporation develops the necessary fuel prevention and cleanup response plans with oversight and enforcement by the appropriate State agencies.

Sincerely

Ron Regnart

Ron Regnart
9601 Hillside Drive
Anchorage, AK 99516

The 470 mile Alaska Railroad that runs between Seward and Fairbanks crosses two major mountain ranges and the Yukon, Susitna and Kenai Rivers, three of the most important salmon producing systems in the State. When construction of the federally owned railroad began in 1915, little concern was given to the effect that railroad operations might have on the area's fish and wildlife resources. Of course very little information was known about the distribution, abundance or biology associated with these resources, especially the fishery resources. Since that time much of this resource information has been obtained, major sport fisheries have developed along the railroad route and powerful locomotives carry long strings of tank cars carrying millions of gallons of petroleum products daily between Fairbanks and Anchorage. The risk of environmental damage associated with these large fuel shipments has been highlighted in recent months by train derailments and resultant major fuel spills near the Susitna River.

This discussion focuses on railway operations north of Anchorage due to the environmental threat associated with the transportation of large volumes of jet fuel. This is not meant to diminish the concern over fishery and other aquatic resources along the route south of Anchorage. There are approximately 36 railway crossings of anadromous fish (migrating from the ocean to spawn in fresh water) streams between Anchorage and Seward that include headwater lakes and streams of the Kenai River system. The valuable sport fisheries for salmon and trout in the Kenai River system account for 25 % of the sport fishing effort in Alaska. The railroad is located within a few hundred feet of portions of Turnagain Arm, Upper and Lower Trail Lakes and Kenai Lake. Until the ARC discloses the kinds and amounts of hazardous substances being transported along this route, the environmental threat is largely unknown.

Legislation establishing the quasi-public Alaska Railroad Corporation (ARC) and its seven member board of directors was signed by Governor Sheffield (currently President of ARC) in 1984 and a year later the railroad became the property of the State of Alaska. According to reports by ARC, the transportation of jet fuel between the North Pole oil refinery near Fairbanks and Anchorage began in 1977. In that year a total of 417 million gallons of jet fuel was transported and was the largest money maker for the railroad accounting for $21 million in net earnings. It still is the single largest revenue item accounting for about one-third of all freight revenues.

Recent news articles in the Anchorage Daily News stated that at least 76 tank cars, each holding 22,000 gallons of jet fuel, are currently transported to Anchorage each day. This amounts to 1.7 million gallons shipped daily and 610 million gallons shipped yearly.

There are a minimum of 92 railway stream crossings between the North Pole Refinery and Anchorage and at least 51 of these are designated by the Alaska Department of Fish and Game (ADFG)as important for the spawning, rearing or migration of salmon and other species of anadromous fish. Also the majority of the major streams crossed by the railroad contain populations of resident fish species including rainbow trout, Arctic grayling, Dolly Varden, whitefish and burbot.

In addition to these major stream crossings, the railroad travels over many smaller culverted drainages originating from springs, intermittent creeks, beaver ponds and various wetlands. The railroad closely follows the active channels of the Susitna River and one of its major tributaries, the Chulitna River. North of Talkeetna the railroad is often within a few hundred feet from active channels or side sloughs of these rivers.

Streams traversed by the railroad north of Anchorage that support important sport fisheries include the Chena River (Yukon River), Susitna River, Little Susitna River and several streams flowing into Knik Arm. The ADFG estimates that sport fishing effort in the Susitna and Little Susitna River systems average over 250,000 angler days annually. Sport fishermen harvest more than 100,000 salmon (mostly kings and cohos) and 12,000 resident fish species (mostly rainbow trout and grayling) during some years in these two river systems. The economic value of just the king and coho salmon fisheries in these two rivers in 1986 was estimated to be nearly $8 million. Salmon migrating to streams traversed by the railroad are also harvested by commercial and subsistence fishermen in the Yukon River and Cook Inlet.

The Susitna River king salmon run is considered to be the fourth largest in the State. Based on a variety of counting methods, the total run probably exceeds 100,000 fish some years. Aerial survey counts of as many as 36,000 and 39,000 spawning king salmon have been obtained for the eastside and westside Susitna tributaries, respectively. Annual sonar counts as high as 340,000 and weir counts of 85,000 sockeye salmon have been made in the Yetna and Chelatna Rivers, respectively, which are westside Susitna tributaries.

Two of the recent jet fuel spills, 8500 gallons on October 31 and 126,000 gallons on December 22 of last year, occurred in one of the remotest sections of the railroad about 40 miles north of Talkeetna. The cause of the October 31 train derailment and spill was reported to be due to the use of undersized locomotive hitches. Several dead juvenile coho salmon were found in a beaver pond which was covered by jet fuel. This pond is a tributary of Indian River, an important salmon spawning stream. As reported in the Anchorage Daily News, the larger December 3rd Gold Creek spill near the Susitna River was caused by an ice berm that derailed three locomotives and 15 tank cars. A more recent spill of 2,300 gallons of diesel fuel occurred February 1 in the Anchorage maintenance yard and was caused by human error.

Earlier documented spills include 50,000 gallons of jet fuel in 1982 and 100,000 gallons of diesel fuel in 1990 between Fairbanks and Nenana. The record of railroad spills of hazardous substances is incomplete but many spills ranging from 5 to 1,800 gallons of gasoline, diesel fuel and lubricating oil are documented.

The ARC has demonstrated its inability to promptly and successfully cleanup major spills. After the 126,000 gallon spill near Gold Creek it took cleanup crews 2 days to reach the site, removal of contaminated snow was not begun until 14 days after the spill and after 16 days only about 20 gallons of fuel had been pumped into recovery tanks. Drilled recovery holes revealed that the fuel had penetrated 30 feet of soil to the underground water table.

A 1986 report by the Alaska Department of Natural Resources cited permafrost and engineering problems facing the railroad between Fairbanks and Anchorage. Over one-half of this rail segment lies within the discontinuous permafrost zone. Permafrost melting can cause weakening or slumping of the track roadbed. Frequent frost heaving due to excessive underlying ground water requires portions of the track to be heavily shimmed. Track icings can suddenly occur requiring prompt attention as icings of only one or two inches can cause train derailments. Floods caused by high stream discharges or culvert blockages by beaver dams can erode or wash out the roadbed. Snow and rock avalanches are other railroad hazards. Although the railway system has been substantially upgraded by the ARC in recent years, the recent derailments and fuel spills indicate that some of these engineering problems persist. A small-diameter conventional pipeline, similar to the one proposed by the Denali Pipeline Company in 1983, might have been a better alternative for transporting petroleum products over this long and hazardous route.

Studies conducted by ADFG during the 1980's in conjunction with a proposed hydroelectric project established the importance of the mainstem Susitna as fish habitat. Salmon were found spawning in the main Susitna River channels and side sloughs upstream of Talkeetna. Several spawning sites occurred in the immediate vicinity and downstream of the Gold Creek spill. These studies also revealed that the drastic stream flow reductions in the fall trigger the downstream movement of fish from tributary streams into the main river channels and sloughs. Over 40 years of stream gauge information on the Susitna River at Gold Creek shows that the mean monthly summer (June-August) flows of 21,000 - 27,000 cubic ft. per second (cfs) decline to 1,300 - 1,900 cfs during winter (December-April). The low, but stable flows, in the main river channels and sloughs, which often is enhanced by warmer upwelling ground water, constitutes vital winter habitat for incubating salmon eggs in addition to juvenile king and coho salmon and several species of resident fish including rainbow trout and Arctic grayling. Due to cold temperatures, low stream flows, low oxygen levels and diminished feeding, fish become stressed and are probably more susceptible to pollution during the winter. Also fish sometimes become concentrated and confined to small discontinuous water bodies during low flows which limits their movements and ability to avoid pollutants.

Undeniably the ARC is a important transportation link and a valuable asset for the State of Alaska. But it needs to do a much better job in preventing the discharge of petroleum products and other hazardous substances. The railroad has become a rolling pipeline and, because of its close proximity to streams and lakes, spills of hazardous petroleum products have a high probability of reaching aquatic habitats even when the most efficient and prompt recovery efforts are made. Once hazardous hydrocarbons are in the ground or water the damage is already done. Cleanup is slow, costly and rarely complete. While improved recovery efforts must be made, prevention is the key to protecting water quality and aquatic environments. It is painfully ironic that while showcasing Alaska's wonderful scenery and rich natural resources for thousands of visiting tourists, the ARC is polluting the environment over which it travels.

The ARC should provide a public accounting of the volumes and types of petroleum and

other hazardous substances it transports along with projections of future transports. Unknown quantities of hazardous chemicals carried by the railroad include cyanide, lime and ammonium nitrate. Past spills and recovery efforts need to be documented. Immediate and positive steps need to be taken to halt spills including regular inspections of tracks and equipment to avoid derailments. The ARC needs a better response plan with trained personnel and recovery equipment ready to be immediately moved to a spill site. Spill prevention and recovery procedures need public scrutiny in addition to the approval and enforcement by appropriate State regulatory agencies. Finally, the ARC should take an active role in assisting with the monitoring of water quality and the health of fish and aquatic resources that are affected by its operations.

Bill History/Action Display

H

BILL: HB 377 SHORT TITLE: DISCHARGES: NONTANK VESSELS & RAILROAD
BILL VERSION:
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

CURRENT STATUS: (H) TRA STATUS DATE: 2/16/00
THEN RES, JUD, FIN

TITLE: "An Act requiring oil discharge prevention and contingency plans and proof of financial responsibility for non-tank vessels and railroad tank cars; authorizing inspection under AS 46.04 of non-tank vessels and trains; and providing for an effective date."

Full Text | Fiscal Notes Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page		Action
2/16/00	2209	(H)	READ THE FIRST TIME - REFERRALS
2/16/00	2209	(H)	TRA, RES, JUD, FIN
2/16/00	2210	(H)	2 FISCAL NOTES (DEC, DOT)
2/16/00	2210	(H)	GOVERNOR'S TRANSMITTAL LETTER
2/16/00	2210	(H)	REFERRED TO TRANSPORTATION

Similar Subject Match or Exact Subject Match
ENVIRONMENTAL CONCERNS
HAZARDOUS SUBSTANCES
OIL & GAS
RAILROAD
VESSELS

Bill Root: Display History/Action | Clear Bill Root

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HB 377

TONY KNOWLES
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 12, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

Recent major oil spills on the Alaska Railroad and from a large fishing vessel in Dutch Harbor illustrate the need to mend Alaska's oil spill prevention and response safety net. Alaska has arguably the world's best spill prevention and response program, but only for vessels that carry oil as cargo (tank vessels), and for land-based oil facilities such as oil wells, pipelines, refineries and large tank farms. That safety net does not exist for any other oil carrier, including larger fishing boats, container and cruise ships, or the Alaska Railroad, regardless of the volumes they may carry and the fact they travel in some of the most pristine and resource-rich areas of the state.

Most of Alaska's oil spills come from carriers that are not required to prepare for spill response. Since 1995, 93 spills totaling 5,286 gallons of oil came from regulated vessels and facilities. During this same period, 945 spills totaling 258,000 gallons of oil pollution came from unregulated carriers.

This bill strengthens Alaska's safety net by extending the oil discharge prevention and contingency plan requirements and proof of financial responsibility requirements to larger non-tank vessels, and to railroads transporting oil in bulk.

Specifically, the non-tank vessels covered by this bill are defined as any watercraft of 300 or greater gross registered tons with an oil storage capacity of more than 6,000 gallons. These vessels include larger cargo and cruise ships, fish processors, and public vessels engaged in commerce, such as the Alaska State Ferries. The bill requires these vessels to plan to respond within 48 hours to an oil spill of 15% of its maximum oil storage capacity, and clean up the discharge as quickly as possible with minimal damage to the environment. Vessel operators must also be financially able to respond to damages resulting from a spill.

Similarly, a railroad transporting oil as cargo would be required to plan to contain and control 15% of the oil storage capacity of the largest train within 48 hours and to clean up the spill as fast as possible. Railroads must demonstrate the financial ability to respond to damages based on the amount and type of oil transported.

The contingency plan requirements of the bill take effect June 1, 2001, allowing time to implement regulations with comments from the public and affected oil carriers. The new financial responsibility requirements take effect September 1, 2000.

Alaska is the only state on the West Coast that has not extended its contingency plan and financial responsibility laws to include these vessels. In light of recent spills from these vessels in our waters, and from the railroad on our land, it is time we act to strengthen our laws. Prevention and response preparedness do make a significant difference in the number and consequences of oil spills.

Sincerely,

Tony Knowles
Governor