

EPA PUBLIC MEETING
OCEAN DISCHARGE CRITERIA
September 6, 2000
1:10 p.m.

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6 **MR. MCCARBERRY:** Good afternoon. It's a
7 pleasure to welcome you here to the Port of Los Angeles, where, as you
8 can tell by all of the development out front, we're in some exciting times
9 here. We do hope that while you're here you'll have the opportunity to
10 take a look at some of our new facilities and some of the things that are
11 going on. We hope that your regional hearing on cruise ship discharges
12 is very successful in its effort, and again, welcome to the Port of Los
13 Angeles.

14 **MR. VOGT:** Thank you very much, Port of Los
15 Angeles, for inviting us here and holding us and sponsoring this public
16 hearing. As you spoke I did recognize we have a few hums in the audio
17 system, and we'll see if we can get by that.

18 My name is Craig Vogt. I am EPA from Washington DC, I
19 am the deputy director of the oceans and coastal protection division.
20 This is a public information hearing, and it is not necessarily to be too
21 formal an affair. We don't like these things to be boring or too stifling
22 in its format. We hope to have a good exchange of information. We
23 are, as you probably know, in the information gathering stages of our
24 assessment of cruise ships and the waste and wastewater coming from
25 those vessels, as well as rules, regulations, policies and practices that go
26 along with those discharges and waste management issues.

27 We have a number of people that have asked to speak today.
28 The agenda for the day will be, you get to listen to me for a few
29 minutes do some overheads and some basic information on who we are
30 and what we're doing and what some of our current laws and regulations
31 are, we will then go through and hear from speakers. And that is the
32 basic agenda for this meeting. With that, I will introduce my friends
33 and colleagues. On my right -- actually, introduce yourselves, if you
34 would. And that might be difficult to do, but stand up here and do it
35 anyway.

36 **MR. OTA:** I'm Allan Ota with the
37 Environmental Protection Agency, Region 9. It's the regional office
38 located in San Francisco.

39 **MR. CARLSON:** Hi, I'm Dorn Carlson with
40 EPA headquarters. I work for Craig Vogt in the oceans and coastal

1 protection division, I work on cruise ships, and I'm also involved with
2 the effort on uniform national discharge standards for Armed Forces
3 vessels.

4 **MR. CHARLTON:** Hi, I'm Tom Charlton. I
5 work with EPA and I work in the Office of Wastewater Management,
6 which oversees the NPDES permit program.

7 **CAPTAIN BASEL:** I'm Captain Brian Basel,
8 chief of the Office of Compliance for Marine Safety and Environmental
9 Protection, Coast Guard headquarters in Washington.

10 **MR. VOGT:** And that's the shortest speech
11 you'll ever hear from Brian. We are being recorded today, so when you
12 do have a question -- and I think I'd like to keep this relatively
13 informal, so you can ask questions when I flip through my overheads,
14 interrupt me as I go, but identify yourself as to who you are. And since
15 we're such a small crowd, I'd like you to, if you can, speak loudly to
16 introduce yourselves just briefly as to who you are and who you
17 represent, if you can, for the benefit of all of us that are here. Some of
18 us know some of you, but we don't know all of you. And we'll start
19 over here, and just speak loudly, if you can. And this might be very
20 difficult to catch, and I don't expect you to have to catch every name,
21 but please do be sure to sign up on our sign-up sheets in the rear,
22 please.

23 (WHEREUPON, the audience introduces themselves.)

24 **MR. VOGT:** Okay. Thank you very much.
25 Now we all know each other. I couldn't quite obviously hear everything,
26 so I think the microphones are going to be really important. And when I
27 give a talk I usually like to wander, and it's going to be difficult for me
28 to do that, so I'm going to be tied to the microphone.

29 Here's why we're here. If this isn't the meeting you thought
30 it was, now would be the time to catch that boat out of here. We are
31 doing three public information hearings, and this is the first. And we're
32 packing them into one fun filled week of today in L.A., Juneau on
33 Friday, and then Miami next Tuesday. These are pretty important
34 meetings, I think, from the standpoint of this is a relatively new subject
35 to EPA; you see some blue-suiters among us, it is not a new subject to
36 the Coast Guard. But we have not had a large role in regulating and
37 managing cruise ships, but have a potential role. We certainly have a
38 role in environmental protection and marine programs, so it is
39 incumbent upon EPA to be on a very rapid learning curve for this
40 activity.

1 Now, I put this up here, and what's it got to do with cruise
2 ships? Something. It's questions regarding the quality of our
3 environment, the pressures that we're under. And you can see here a
4 number of threats, and they're not necessarily unobvious, point and
5 non-point source discharges, things we've been dealing with for many
6 years.

7 The Clean Water Act was passed back in the early 70s and
8 was, you know, a follow up to earlier federal legislation on controlling
9 water pollution. These are a number of different threats, and they are
10 causing a number of different stresses in our oceans, and certainly in our
11 inland waters as well. And I don't need to go through each and every
12 one of them, but they are not simple matters.

13 We took on the very tough problems early on. And as we
14 get to the bigger, more obvious problems, such as the wastewater
15 discharges from pulp and paper mills, from steel mills, from municipal
16 discharge, sewage treatment plants -- and point sources are getting more
17 under control, but we're not done with them yet. I understand Boston
18 today has now finally installed secondary treatment and is now starting
19 to discharge through their "out-fall" pipe out 10 to 12 miles out at sea.
20 Very major progress, but we have lots to do.

21 Non-point sources are a real serious problem for us all.
22 Introduction of non-native species, that's certainly related to cruise line
23 operations; and then, damage from commercial and recreational use could
24 be related to cruise lines.

25 See, I take my coat off and stall, that way I don't have to
26 speak, you can read. Okay?

27 These are a number of problems that are facing our coasts
28 and oceans. Not all our coasts and oceans and marine waters are
29 completely stressed out and having major problems, but there are some
30 poor -- not necessarily poor, but some trends that we really don't like.

31 Harmful Algal Blooms are on the rise in many of our
32 estuarian waters, as well as in our coastal and ocean waters. A lot of
33 beach closures from those, a number of human health impacts,
34 respiratory problems -- don't go swimming when there's a brown or a red
35 tide going on.

36 Hypoxia. In the Gulf of Mexico there's a dead zone, every
37 summer it appears, it's something to the effect of 7,000 square miles of
38 no oxygen. That's coming from the results of what's going on in the
39 heartland of the country and coming out of the Mississippi River.

40 40 percent of beaches had posted warnings back in 1998, or

1 closed due to something such as pathogens or marine debris. Coral reefs
2 are threatened, and many fish advisories have been issued. So we are
3 not finished with what we have to do in terms of environmental
4 protection.

5 Cruise vessels, this is obviously the subject of our meeting
6 today. And why we are collecting information, we'll talk about that in a
7 minute. Floating cities, some people have said that. They certainly
8 have changed over the last, say, 20 to 30 years in terms of size and
9 numbers. These are some of the discharges coming from those cruise
10 vessels, and they are regulated, in some manner are not regulated. And
11 those decisions have been made over the years for, we think, good
12 reasons at the time. And we'll talk more about all of this.

13 Now, the real driving force here, as to why we're here today
14 actually, is the Bluewater Network petition that EPA received back in
15 March. I think it was a very balanced petition in terms of petitions that
16 the agency historically has received. It has identified a problem and
17 requested the agency to move forward on assessing and characterizing
18 the industry, the cruise ship discharges, assess the regulatory and
19 management authorities and how well they are working, and to develop
20 options and recommendations for where we should go in the future for
21 better management and control.

22 Now, one key factor here that we all should understand is,
23 the EPA made a decision back in 1973, and we provided an exclusion for
24 discharges from the normal operation of ships, discharges incidental to
25 the operation of ships. And we made that based upon at the time that
26 the Clean Water Act had just been passed, major discharge problems
27 were facing us -- and I was at EPA then -- in terms of raw sewage from
28 municipal treatment plants being discharged, industrial waste without any
29 treatment going into our rivers and harbors and oceans, and not thinking
30 that cruise ships presented a very significant problem at the time.
31 Cruise ships were also, at the time, somewhat smaller and fewer in
32 number. So the Bluewater Network, Kira will speak to us I think after
33 my presentation, and we'll hear more about their concerns.

34 Now, a couple of other things that are going on also at EPA
35 and at my office, I guess, we also have received a petition to regulate
36 ballast water. And that we received, I don't know how long ago. Maybe
37 a year, two years. One year?

38 **MR. CARLSON:** A year and a half.

39 **MR. VOGT:** A year and a half. Okay. We are
40 very late in the response to that petition. We have been assessing the

1 options and the information. We have promised many times to get that
2 report out, but we are limited in our capacities in terms of numbers of
3 people and resources that we can apply to any one of these activities.
4 But I think it will also come out soon. It may come out at the same
5 time as our report that assess the cruise line discharges.

6 Related to this activity is the Uniform National Discharge
7 Standards for vessels of the Armed Forces. There was an amendment to
8 the Clean Water Act, Section 312, that required the EPA and the Navy to
9 develop discharge standards for discharges from vessels of the Armed
10 Services that pose a potential threat to the environment, to the marine
11 environment. And we are developing those on a schedule of the next
12 two to three years to be complete. So there is some preliminary
13 information that is available from that that maybe useful in this activity.
14 The other, maybe not quite as related to this activity, is the Executive
15 Order by the President that came out, I believe, in June on marine
16 protected areas. My office is rapidly developing a set of regulations to
17 revise the ocean discharge criteria for pipes going into the ocean,
18 discharges through pipes, and in specifying special ocean sites in which
19 more stringent requirements would be specified for discharges into those
20 areas because of some ecological or cultural or historical preservation
21 needs.

22 Briefly, EPA's current authorities are these and the
23 relationship to cruise ships. I'm not going to go through each one. I
24 will talk a little more in depth about the Clean Water Act. This is
25 where I'm a little disadvantaged from being able to slap up an overhead
26 and talk about it briefly instead of doing this transaction time here,
27 instead of wearing my usual mic.

28 Under the Clean Water Act, Section 312, we regulate sewage
29 discharges from vessels. Not just cruise ships but from vessels. Now,
30 this is different than normal discharges to the ocean, they're to any
31 navigable water to the United States. This sets up a different mechanism
32 and different standards than for other types of discharges into our marine
33 waters, and it splits the authority between EPA and the Coast Guard.
34 And, EPA establishes performance standards for marine sanitation
35 devices. And there are three -- essentially, two kinds of marine
36 sanitation devices. One that is a holding tank, and the other that is a
37 treatment system. So EPA sets the standards and Coast Guard
38 essentially sets the design, the construction, installation, and the
39 certification that these marine sanitation devices are actually working.

40 These are EPA standards for the different types of marine

1 sanitation devices, and it's very simply put. Type one, two and three
2 can be used on vessels less than 65 feet, I think it is. Not 66, it's 65.
3 Okay? And type two and three are to be used on vessels longer than 65
4 feet. And you can see there are different standards for the different
5 types. Type three is a holding tank. But type one and two, there are
6 distinctions there between how many coliforms – essentially, it's a
7 grinder and a chlorinator for type one. Type two has more stringent
8 requirements in terms of the fecal coliforms that can be discharged, as
9 well as the suspended solids.

10 The Clean Water Act allows the setting of no discharge
11 zones for sewage. And in order to do that, the states petition the EPA
12 to set an area for no discharge of sewage. And to do that they have to
13 go through a number of criteria, one of which is, the area needs special
14 protection for ecological reasons as well as practical considerations,
15 which are, there are sufficient pump-out facilities available for vessels to
16 discharge their sewage.

17 Key things here, Section 312 only applies for three miles in
18 the territorial sea, and that the Coast Guard has the primary role here in
19 enforcement.

20 All right. This Clean Water Act, Section 402, is the NPDES
21 permit program authorities, and this is the exclusion for vessel
22 discharges. And I'll let you read it. But that is why we do not regulate
23 vessel discharges, cruise ship discharges, under the NPDES permit
24 program.

25 I won't talk about these, but these are other authorities that
26 certainly apply to cruise ships: The Resource Conservation Recovery Act
27 for hazardous materials and solids waste; Marine Protection and
28 Sanctuaries Act, which is essentially the Ocean Dumping Act; Shore
29 Protection Act, which sets out a permit system for vessels that are
30 transporting waste, and "APPS", which, as you can see, covers a lot of
31 ground in terms of oil, noxious materials, garbage and plastic.

32 Now, EPA is generally known as a regulatory agency. But
33 over the last, I'd say, 10 years we have developed a number of other
34 non-regulatory type programs. And I think this administration has
35 pushed even harder in terms of those kind of non-regulatory
36 public/private partnership, voluntary arrangements that bring some
37 common sense into how we do business.

38 Regulations achieve a certain objective, but we found that
39 there are other approaches, as well, that can achieve some of our
40 environmental protection approaches, because not every situation is the

1 same everywhere. And this is just a list of some of those programs:

2 Project XL I think has been with us for a number of years. And
3 that is essentially looking at maybe a port authority -- I don't want to
4 pick out a port authority, but since we're there, I'm looking at one --
5 that has a certain group of regulations that apply to it, such as from
6 RCRA, or from storm water runoff or air pollution regulations. Looking
7 at all of those together -- not the bubble concept, I'm not talking about
8 that. But looking at how can you do this better. Maybe there are some
9 tradeoffs in terms of how you can do business and achieve your overall
10 objectives.

11 Performance Track, I understand, is a relatively new program
12 that our office of wastewater management -- Tom Charlton is our
13 representative from that group -- and is something fairly similar to our
14 Project XL. Another aspect, green ports is a general term. But we like
15 green ports.

16 EPA provided a grant to the American Association of Port
17 Authorities, who collected a great deal of information and brought
18 together in one handbook, essentially an environmental handbook for
19 ports on terms of different kinds of practices on waste handling,
20 discharges, of how to keep pollution from becoming -- contaminants from
21 becoming pollution out into the harbors -- pollution prevention. So it
22 was a very good effort, and I think it's received a very good audience
23 within the port community.

24 Sustainable slopes is one I've still been trying to get on.
25 That is certainly one of my vices in life, is skiing. And this is getting
26 together with the ski industry as they build ski areas, or expand ski
27 areas, do it in an environmentally friendly manner. And these are all
28 non-regulatory approaches that EPA thinks are a good idea. So we have
29 a balance within our own program.

30 One thing I didn't mention, we have done a White Paper,
31 which is in the back. This is in response, our initial response to when
32 we looked at the Bluewater Network petition, we kind of sat down and
33 said, "Well, what do we know right now? Let's put it down on a piece
34 of paper." And we put it down on a piece of paper. You're thinking
35 three pages. Well, it grew to, I don't know, 15 or 20 pages. I think it's
36 a pretty good assemblage of information that EPA had on hand. The
37 Coast Guard was involved briefly. But it was not a comprehensive
38 review, so then the Coast Guard has told me, he says, gee, you know, if
39 you really wanted to do it right, you should have this thing and this
40 thing and this thing. But by the time we would get that done it would

1 be this thick. So we kind of went "All right, let's get out what we know
2 now." So for the benefit of these hearings that we're doing right now,
3 we've at least assembled that information.

4 And in that White Paper, the obvious options are under
5 consideration: regulating under the NPDES permit program for cruise
6 ships, that is certainly one option that we have. We have not made any
7 decisions yet. We truly have not. This is not the time yet to make
8 decisions, this is collect the information. As I said, we at EPA are
9 getting smarter faster, I hope.

10 Revision of 312, those have been on the books for over 20
11 years, and this might be an appropriate time to be taking a look at those.

12 ISM, EMS, code words for industry moving forward on their
13 own, public private partnerships, voluntary options. And I think there's
14 an array of things that we might be able to do but I certainly don't know
15 which ones are appropriate.

16 And Allen is reminding me, I think I pointed back there to
17 the White Paper, there's copies of the White Paper on the back table.

18 Next steps, we're doing the public information hearings,
19 we're going to prepare an assessment. And we think we'll finish that
20 assessment in about October, which isn't very far away. That assessment
21 will be, as we said earlier, an assessment of the characteristics and
22 volumes of waste and wastewater from cruise ships; what our current
23 regulatory and non-regulatory authorities are, and programs. Maybe,
24 hopefully, we'll get into assessing how well they're working. Then we
25 will go -- certainly we'll take that, send that out in draft form and get a
26 public review of that. We will work with the Coast Guard in
27 formulating any recommendations in that assessment, and with the public
28 as to what that assessment says and where we go with that; public
29 dialogue, issue recommendations and initiate actions.

30 This signals the end of my speaking. These are our
31 customers, and we try to make sure that we all think about who our
32 customers are and why these cruise ships are going places that they are.
33 So with that, if you've got any questions I'll be happy to take them. If
34 you don't, we'll go to our first speaker. And I do have a list over here
35 at the table.

36 Can you go to the mic? Sorry.

37 **QUESTION:** Just one question. In your
38 preparatory remarks here, you focus in on the cruise industry but you're
39 citing codes -- the Clean Water Act, etcetera -- that have broader
40 application. So if you would, there is -- we are a small sector of the

1 marine industry. And if we're going to be doing something here that is
2 going to impact box boats, bulkers, tankers, tug boats in the harbors, day
3 boats, one would think that you would want them represented as well.

4 **MR. VOGT:** All right. Thank you. We
5 recognize that cruise ships are one small group of vessels, and any
6 actions that we have for cruise ships could have spill-over effects on
7 other types of vessels and activities, and certainly that point is known to
8 us. And in our assessment we need to keep those kind of impacts -- I
9 don't think impact is the right word, but those activities in mind.

10 Now, it was easy for me to talk to you this way, from a
11 podium out, but now you're going to talk to us. I'm trying to think how
12 to do that simply. We can use the podium or we can use the
13 microphones. Either way would be fine. We have about six or seven
14 folks that have said they'd like to make a presentation, I would ask that
15 you try to keep those remarks to ten minutes, plus or minus. Be
16 reasonable, we don't want to be here all night. Well, we will be here
17 later this evening, as well.

18 The session this evening, by the way, says it's between 5:00
19 -- back here on the board it says 5:00 to 7:00. The federal registry
20 notice, and all of our publicity, I believe, said 6:00 to 8:00. So
21 tonight's session is 6:00 to 8:00, we will do the same thing again. If
22 you're here today and you come tonight, you'll probably here the same --
23 I'll say the same thing again. It may be more educated this time, but
24 you're certainly welcome to come. But I wanted to make sure that you
25 all understand it's 6:00 o'clock this evening, not 5:00.

26 So, first on my list, "Sharlene Curtruelle", excuse me, are
27 you here?

28 All right. Second on my list, Diane "Mann" -- Diana.
29 Excuse me.

30 **QUESTION:** Yes.

31 **MR. VOGT:** You can speak from there, or you
32 can come up here, if you like.

33 **QUESTION:** Actually, I just wanted to say that
34 I have more questions that maybe later on I'd like to ask, but --

35 **MR. VOGT:** Is the mic on?

36 **QUESTION:** No. He said it was on but not
37 very loud. Can you hear me now?

38 Okay. Thank you. I'm sorry, I thought -- oh, my goodness.
39 Sorry. I just wanted to say I'll ask a question a little later, I'm going
40 through something right now. Thank you.

1 **MR. VOGT:** All right. Thank you. I'm sorry,
2 I didn't understand. Now that maybe the air's off we can just get kind
3 of hot and sweaty but we can hear each other.

4 All right. Next on the list was Kira Schmidt, who I think I
5 just saw leave the building. So let us go to Tim Eichenberg, we'll come
6 back to Kira a little bit later.

7 **MR. EICHENBERG:** Well, I guess I'm up by
8 default.

9 My name is Tim Eichenberg, I'm with the Center for Marine
10 Conservation in San Francisco. The center has had a history in working
11 on cruise line issues. We worked for ratification of MARPOL, we
12 worked on the enactment of the Marine Protection Research and
13 Sanctuaries Act, also called the Ocean Dumping Act, the act to prevent
14 pollution from ships, and the Marine Plastic Pollution Resource and
15 Conservation Act of 1987.

16 In 1991, we initiated a cruise watch program to enlist
17 passengers in assessing the impact of cruise vessels. We organized
18 waste management seminars for the cruise industry between the 1990s,
19 from 1992 to 1998.

20 We're a member of the Ad Hoc Committee for the Marine
21 Board of the National Research Counsel that led to the 1994 report by
22 the National Academy of Sciences "Clean Ships, Clean Ports, Clean
23 Oceans - Controlling Garbage and Plastic Wastes at Sea."

24 We developed and conducted an education program, from '96
25 to '98, for the International Maritime Organization's Wider Caribbean
26 Initiative on ship-generated wastes.

27 We've worked with the cruise industry from 1995 to the
28 present time to promote our International Coastal Cleanup, and they've
29 been very helpful in that regard, and established model community
30 programs to address marine debris in the Caribbean.

31 We've reviewed and commented on the February, 2000 GAO
32 report that addressed some of the issues that we're talking about today in
33 reducing marine pollution by cruise ships. And we also have joined in
34 the rule making petition that was filed by Bluewater in March of 2000,
35 and we also are petitioners in the ballast water petition which was filed
36 in January of 1999, which is now, as we noted, a year and a half late.
37 And we look forward to getting those proposed rules out soon.

38 Our concern with the cruise line industry is, that it is a
39 rapidly growing segment of the tourist/travel industry. As noted in your
40 White Paper and in the GAO report, there are 225 ships that have carried

1 more than 9 million passengers in 1998, and that this capacity will grow
2 by 35 percent by the year 2003, according to the General Accounting
3 Office.

4 Current sewage and gray water policies were developed many
5 years ago, in the early 1970s, when the number of vessels and
6 passengers were significantly smaller, vessel impacts were much less,
7 and the marine ecosystem was much healthier than it is now. And it is
8 now believed that gray water, for example, may have greater impacts
9 than sewage. These rules need to be revisited.

10 Illegal discharges over the past five years have undermined
11 public confidence and created a need for better monitoring and
12 enforcement mechanisms. In the cruise waste streams, physical and
13 secondary impact may have very significant local and regional impacts
14 on coral reefs, fisheries, air and water quality, and highly sensitive and
15 unique marine systems that are frequented by the cruise line industry,
16 kind of like an attractive nuisance. We need more information. But in
17 the interim, we urge that a precautionary approach be adopted to protect
18 critical marine resources in the absence of that information.

19 The industry has made technological and policy
20 improvements in waste reduction, increased recycling and advanced
21 treatment systems, we recognize that and we applaud the industry for
22 those advances; however, as noted in the General Accounting Office
23 report, much more progress needs to be done to improve government
24 oversight, establish better standards and monitoring of sewage and gray
25 water, improve monitoring and enforcement of existing laws, and follow
26 up on foreign flag vessel violations, which have virtually stopped since
27 1995, according to the general accounting office.

28 So our recommendations to you, as you go forward in
29 considering the rule making petition, is to quantify the waste streams
30 that was requested of you in the petition, including oil, solid waste,
31 sewage, gray water, hazardous waste and invasive species, and assess the
32 impacts on water quality, marine environment and human health of these
33 waste streams.

34 We urge you to rethink the sewage, gray water and ballast
35 water exemptions in the regulations. The Clean Water Act does not
36 exempt all discharges incidental to the normal operation of a vessel as
37 noted in your regulations that were adopted in 1972, just the Armed
38 Forces vessels, and those must comply with the Uniform National
39 Discharge Standards. So we urge you to rethink that exemption.

40 We urge you to think about the sewages discharged beyond

1 three miles from shore that may have significant impacts.

2 We urge you to move quickly on the ballast water petition
3 because some of the impacts from the discharges -- or ballast water and
4 invasive species -- are as significant as any of the ones that we are
5 discussing today.

6 And we also urge you to think about a general permitting
7 system to eliminate some of the jurisdictional conflicts that you
8 mentioned in your White Paper. That may be one approach to dealing
9 with the problem of different jurisdictions having different regulations.

10 Another recommendation is, that voluntary self-monitoring
11 through the MOUs and the EMSs that were mentioned is nice, but it's
12 not an acceptable alternative to mandatory record keeping, reporting, and
13 other verifiable compliance mechanisms that have worked successfully
14 under the Clean Water Act. And those should be applied to the
15 discharges from vessels as well. I know that command control is not in
16 fashion right now, but it beats beg and plead any day.

17 We urge you to protect ecologically sensitive and special
18 marine areas such as corral reefs, marine protected areas, essential fish
19 habitat and (unintelligible) vegetation to which cruise ships are attracted
20 through no discharge and restricted access zones. So we urge you to
21 specifically look at these sensitive areas and maybe adopt more stringent
22 regulations to prevent those sensitive resources from being damaged.

23 And finally, we urge that more government resources be
24 provided to improve standards and monitoring of waste discharges,
25 conduct water quality sampling programs, which are desperately needed,
26 inspect sewage systems on large vessels, conduct surveillance and
27 enforcement efforts, and refer and follow up on foreign flag ship
28 violations. Thank you.

29 **MR. VOGT:** These guys are all taking notes
30 really fast and hard. Have we any comments, questions?

31 I have one, which is a general one for anyone that is in the
32 audience today. We have tasked ourselves, and been tasked, I guess,
33 with collecting information on the characteristics of waste and
34 wastewater discharges from cruise ships and environmental impacts on
35 the marine environment, and those are the things we are specifically
36 looking for.

37 So Tim, I guess I'd say, you know, we are looking for
38 specific information on those, and we have found to date that it's been
39 pretty limited. So if you can -- all of you, I guess, can go back -- if we
40 don't collect too much information today, we still are searching for

1 impacts on the marine environment from specific cruise line discharges,
2 as well as the characteristics of those discharges. So if you are aware
3 of any -- I'll just ask a general question. If you are aware of any
4 impacts on the marine environment from cruise ships, let us know. And
5 that's a general statement to anyone.

6 Okay. All right. Thank you.

7 Kira, are you back in the audience? You missed your
8 opportunity first up, so you're second.

9 **MS. SCHMIDT:** Good afternoon, my name is
10 Kira Schmidt, and I'm a campaign director with the Bluewater Network.
11 We are a national environmental organization based in San Francisco that
12 fights pollution from motorized recreation, oil and shipping industry
13 practices, and other types of marine pollution.

14 Bluewater launched its campaign on cruise ship pollution
15 late last year in response to the media attention and the public concern
16 generated by the Royal Caribbean case. Some of the major concerns that
17 Bluewater has are the following:

18 The series of pollution incidents by cruise ships.

19 The severity and intentionality of some of these incidents.

20 Large volumes of waste that cruise ships generate on and
21 discharge into the seas.

22 The rapid growth in the number and size of cruise ships, and
23 inadequate oversight and regulation of cruise ship waste management,
24 and therefore, inadequate enforcement and deterrence of pollution by
25 cruise ships.

26 In an effort to respond to these concerns, Bluewater authored
27 a petition to urge EPA to identify and take regulatory action on
28 measures to address pollution by cruise ships. Bluewater and 53 other
29 environmental organizations submitted this petition to EPA in March of
30 this year. The petition highlights loopholes and gaps in federal
31 regulations for various cruise ship waste streams, and recommends, as
32 Craig described earlier, an in-depth assessment of the volumes and
33 characteristics of cruise ship waste streams, analysis of their impacts on
34 water quality, the marine environment and human health, an examination
35 of existing federal regulations that apply or should apply to cruise ship
36 wastes, and formulation of recommendations on how to better control and
37 regulate cruise ship waste streams.

38 The waste streams that we address in our petition are
39 sewage, gray water, hazardous waste, solid waste, oily bilge water and,
40 per an addendum that we submitted to EPA in August, air emissions

1 from cruise ships. I'll focus only on a few of these due to time
2 limitations.

3 As we highlight in our petition, sewage is defined as a
4 pollutant under the Clean Water Act, yet sewage from vessels is exempt
5 from this definition, and is also exempt from regulations requiring
6 NPDES permits for discharges of pollutants into US navigable waters.

7 Section 312 of the Clean Water Act purportedly fills this gap
8 by requiring certain vessels, including cruise ships, to have marine
9 sanitation devices, which are required to treat the effluent to less than
10 200 colonies of fecal coliform per 100 milliliters.

11 The cruise industry and the Coast Guard have explained that
12 they regularly inspect these marine sanitation devices; however, a report
13 that Tim referred to by the General Accounting Office on marine
14 pollution by cruise ships, cited Coast Guard inspectors who stated that
15 they rarely have time to inspect MSDs to see if they're working properly
16 and filtering out harmful contaminants.

17 Section 312 does not provide for regular monitoring and
18 sampling of MSD effluent to ensure that it is treating the effluent to the
19 standards, nor any means of enforcement or penalties if the effluent is
20 found to exceed these standards. We have strong reason to believe that
21 MSDs treat sewage to these standards for only a short time before they
22 substantially degrade.

23 Samples that have been taken recently under the Alaska
24 cruise ship monitoring initiative have shown high levels of coliform far
25 in excess of the standards, some more than 9 million, and recall that the
26 federal standard is 200, the state standard in Alaska is 14. We will be
27 interested to see what officials in Alaska do about this. Clearly, we
28 think action needs to be taken to address the problem.

29 These actions could include regular monitoring and sampling
30 of treated black water to ensure compliance with the effluent standards,
31 enforcement and penalties for violations of standards, development of
32 standards for improved MSD technology, and/or establishment of more no
33 discharge zones to protect sensitive marine ecosystems.

34 As we highlight in our petition, gray water is exempt from
35 the NPDES permit requirement; however, Bluewater and numerous other
36 environmental groups contend that this exemption has no statutory basis
37 and violates the letter of the Clean Water Act.

38 Gray water can be legally discharged anywhere. We, and
39 many other parties, are very concerned about the massive volumes of
40 gray water being discharged into our waters without restriction. And

1 this concern is compounded by past instances where cruise ships were
2 discharging hazardous waste into the water through their gray water
3 systems, and the absence of scientific studies of the constituents or
4 impacts of cruise ship gray water.

5 The one comprehensive and independent study that we can
6 cite is the Uniform National Discharge Standards analysis, which found
7 that gray water had BOD and nutrients at levels that would be expected
8 to cause localized adverse environmental effects, and levels of
9 conventional and non-conventional pollutants that exceeded state and
10 federal water quality criteria.

11 We are again extremely concerned with the results of recent
12 sampling of gray water discharges from cruise ships in Alaska, which
13 show levels of fecal coliform upwards of 24 million. These results
14 underscore our contention that gray water discharges must be regulated.
15 And this can be done through a number instruments, including
16 establishing effluent standards, bringing gray water discharges under
17 NPDES permits, requiring and setting technology-based standards for
18 gray water treatment systems, requiring on board wastewater monitors on
19 all ships, and/or setting restrictions on where gray water can be
20 discharged.

21 As we highlight in our petition, there is a lack of clarity on
22 the part of the cruise industry, regulators, and concerned citizens, on
23 regulations that govern hazardous waste generated on cruise ships.

24 Issues that remain unclear are questions regarding what
25 status of hazardous waste generator a cruise ship or cruise company is,
26 whether it be small quantity, large quantity or conditionally exempt,
27 small quantity generators, as well as what is the point of generation of
28 the hazardous waste, the ship itself or a storage facility at a port.

29 There are difficulties with tracking hazardous waste
30 generated on cruise ships due to this lack of clarity, as well as to the
31 ship's mobility. And perhaps most telling, violations of hazardous waste
32 management regulations continue today in Florida despite the signing of
33 a Memorandum of Understanding between the cruise ship industry and
34 the state environmental agency to resolve the misunderstandings behind
35 these violations.

36 We recommend the clarification of status and point of
37 generation issues and what regulations apply and where, an
38 implementation of improved cradle-to-grave tracking of hazardous waste
39 generated on cruise ships.

40 EPA has responded to our petition by initiating an

1 assessment of cruise ship waste streams and management practices, which
2 was described to us earlier. It includes the recent publication of the
3 White Paper, information collection, this series of public hearings, and
4 an inter-agency assessment and recommendations.

5 And options for recommendations to emerge from this
6 initiative include changes to federal regulations and/or how they're
7 implemented, government-private sector partnerships, or some
8 combination of the two.

9 I would like to provide some information and then some
10 comments regarding the government-cruise industry partnerships that are
11 currently underway. A Memorandum of Understanding, which I referred
12 to earlier, was signed between the Florida Department of Environmental
13 Protection and the cruise industry in March of this year, which was the
14 result of dialogue over how to address the pattern of violations of
15 hazardous waste management regulations by cruise ships. And, in
16 Alaska, an Alaska Cruise Ship Initiative was launched by the Alaskan
17 Department of Environmental Conservation due to concerns regarding
18 illegal discharges from cruise ships and their growing presence in
19 Alaskan waters.

20 Regarding the Florida MOU, I will simply note that there
21 was zero public involvement or input into its negotiation, and it has no
22 means of enforcement. And, since it's signature, as I mentioned,
23 violations of the same hazardous waste management regulations have
24 persisted.

25 Regarding the Alaska Cruise Ship Initiative, the cruise
26 industry sought an enforcement shield for any findings of violations
27 under the initiative, which, thankfully, the Department of Environmental
28 Conservation refused to grant.

29 The sampling protocol which the cruise industry finally
30 agreed to will not provide sufficient information regarding the waste
31 streams' composition, as it requires only two sampling events per ship
32 for the entire season, does not provide toxicity testing of the whole
33 effluent, and does not adequately test for priority pollutants.

34 The results of wastewater sampling this summer have shown
35 outrageously high levels of bacteria, as I mentioned earlier; violations of
36 air emission standards are ongoing; recent monitoring has resulted in the
37 issuance of 15 notices of violations for air emission standards in the past
38 two months alone. And there are several other problems with the Alaska
39 initiative, which I will not go into in detail, but I'm going to circulate a
40 comment from a colleague in the environmental community who has been

1 actively involved in this process.

2 There's also a bill that has just passed by the California
3 Legislature, AB 2746, which was sponsored by Bluewater Network and
4 authored by California Assembly member George Nakano, whose staff
5 person I thought was going to be here and tell you about that. Maybe
6 she'll turn up later.

7 The bill creates an inter-agency cruise ship environmental
8 task force, which will gather and assess reports submitted by cruise ship
9 operators of all waste discharged in state waters and off-loaded at
10 California ports. And the task force will monitor emissions from cruise
11 ship smoke stacks, as well, for a period of two years.

12 The task force will analyze the potential impacts of these
13 waste discharges on California's environment and public health, review
14 current regulations and reporting requirements to which cruise ships are
15 subject, and submit a report to the California Legislature in June of
16 2003, which makes recommendations on when and how to improve
17 regulations that apply to cruise ship waste management practices in
18 California.

19 I have some information available on why this legislation is
20 needed, which I can also give you, but suffice it to say that the cruise
21 industry is growing by leaps and bounds. It grew by 67 percent here in
22 California from 1990 to '98, and several cruise ships have been caught
23 illegally polluting California waters, including an incident of dumping
24 pollutants into San Francisco Bay less than a year ago, for which
25 Bluewater is filing suite against Royal Caribbean, and which is also
26 currently under criminal investigation by the Department of Justice and
27 EPA.

28 We will also probably hear about some other voluntary
29 programs that cruise companies employ to certify their compliance with
30 environmental laws, including classification society certification and
31 internal audits and ISM code certification.

32 There are also existing regulatory frameworks overseen by
33 relevant agencies in flag states such as Liberia, and the Coast Guard's
34 Control Verification Examination Program.

35 I will simply mention that the Royal Caribbean ships that
36 were found guilty of routinely and knowingly discharging oil and
37 hazardous waste had ISO certification and had been certified by their
38 class societies in flag states, but none of these mechanisms detected the
39 violations in advance, nor took actions after federal and criminal
40 investigations brought them to light. And in regard to the Coast Guard

1 inspection program, I refer you to the GAO report mentioned earlier,
2 which highlights a number of shortcomings constraining the Coast
3 Guard's ability to detect or resolve marine pollution violations.

4 Voluntary efforts by the cruise industry to improve its
5 environmental performance and to engage in dialogue are commendable,
6 and we believe they are definitely steps in the right direction; however,
7 as the voluntary initiatives in Florida and Alaska unfold, they are
8 proving unsatisfactory, as problems and violations of various regulations
9 by cruise ships continue in their wake, they lack mechanisms for
10 oversight or enforcement, and thus deterrence, and, in the case of
11 Florida, for any manner of public involvement by concerned citizens and
12 organizations.

13 Neither the existing Coast Guard/flag state regulatory
14 regime, nor voluntary programs such as those I just described, are
15 adequate to abate pollution from cruise ships. The supporting evidence
16 is mounting, in the GAO, in the ongoing violations, in the results of the
17 monitoring and sampling in Alaska. These programs must be
18 complemented by new and improved regulatory measures that empower
19 environmental agencies to monitor and enforce standards and provide
20 industry with disincentives to pollute.

21 The Environmental Protection Agency, because it's sole
22 mission is to protect human health and to safeguard our environment, has
23 a very important role to play, along with concerned citizens, in helping
24 to ensure that the cruise industry's activities do not negatively impact
25 the environment and human health. We are at a critical juncture, the
26 cruise industry is growing rapidly and we have a window of opportunity
27 before us now, with this petition before EPA and with the momentum
28 built up among regulators, legislators, the cruise industry, environmental
29 groups, and the public, to address these issues. And I hope all these
30 stakeholders can work together to find the best solutions for the
31 environment. Thank you.

32 **MR. VOGT:** Thank you. Panel, you're taking
33 notes again, any comments, thoughts?

34 **QUESTION:** Craig, are you going to open it up
35 to the rest of us for questions, as well?

36 **MR. VOGT:** Yes, I think we can do that.
37 First, though, my panel gets an opportunity. I did have a question on
38 the California bill, which I'm not that familiar with.

39 Did you say essentially it was monitoring and reporting?

40 It's not going in and requiring treatment or any permitting at

1 this point?

2 **MS. SCHMIDT:** There's actually no new
3 monitoring or reporting requirements either, it's simply the task force
4 will gather the reports and records that are currently compiled and
5 submitted by cruise companies and cruise ships. So it's just kind of an
6 information gathering and then an assessment.

7 **MR. VOGT:** Okay. Thank you.

8 **MR. CARLSON:** I have a question, Kira, and
9 I'll ask this also of the other representative who talks about the bill. A
10 lot of the information gathering parts of what you just described in the
11 California bill sounds similar to the information gathering that we're
12 doing, and I just wanted to get your thoughts on the appropriate role of
13 the relationship between what's going on at the state and what's going on
14 at the federal level.

15 **MS. SCHMIDT:** I certainly think that the
16 information that's gathered and the assessment that's done under the
17 California bill will certainly complement and contribute to this process.
18 I'm not exactly sure what the exact role and inter-relation between the
19 two will be, but I imagine there will be some crossover.

20 **MR. VOGT:** Yeah, we can entertain questions
21 from the audience, provided that we follow ground rules, which are not
22 to get into any debates over policies, regulations.

23 This is a factual-type- information-
24 collection-kind-of-hearing, clarification questions are certainly okay.

25 Any questions? And you have to go to the microphone.

26 **MR. WALSH:** Thank you. Not that I think I
27 need this microphone.

28 **MR. VOGT:** And you need to identify yourself.

29 **MR. WALSH:** Jim Walsh. I do have a couple
30 of questions. I'm not with Royal Caribbean, so I'm fairly unfamiliar
31 with their record. But Kira, or anybody else here, I believe the
32 violations were from '93 to '95.

33 **MS. SCHMIDT:** (Unintelligible.)

34 **MR. WALSH:** And the ISM code went into effect when?

35 **MS. SCHMIDT:** I'm sorry, I meant ISO.

36 **MR. VOGT:** We have to obey our reporter, and
37 she's asking you to -- can you respond in the microphone, Kira? Thank
38 you.

39 **MS. SCHMIDT:** The first question was
40 regarding the Royal Caribbean case, and on one of the ships the

1 violations continued into 1998.

2 **MR. WALSH:** And my question was pertaining
3 to the ISM code. The statement was made that the ships were already
4 certified under the ISM code, and it was my understanding that the code
5 didn't come into effect for cruise ships until July of '98.

6 **MS. SCHMIDT:** Right. Correct. And I
7 corrected myself. I meant to say ISO certified.

8 **MR. WALSH:** The other characterization,
9 having been part of the Memorandum of Understanding in Florida, as a
10 matter of fact, being one of the initiators of it, not being under any
11 penalty -- having initiated it with the West Palm Beach office of the
12 Department of Environmental Protection, the characterization that we
13 were doing anything other than being proactive, is there some
14 information you have concerning Carnival that we would have taken
15 those proactive steps based on some pending litigation or crime?

16 **MS. SCHMIDT:** There were a number of cruise
17 companies which had violated certain hazardous waste management
18 regulations, and that's why the Florida Department of Environmental
19 Protection had initiated dialogue with several of those companies. I
20 have a stack of internal DEP documents about that thick, which I'd be
21 happy to share with you, and I believe Carnival was on that list.

22 **MR. WALSH:** For the record, Carnival initiated
23 the dialogue with the West Palm Beach office. The West Palm Beach
24 office, as well as the local Coast Guard captain in the port, was brought
25 into the process. It wasn't done under any guise of trying to get a
26 shield from any penalty that had been proposed, and there was no
27 discussion of penalties during the whole process.

28 **MR. VOGT:** All right. Thank you very much.
29 Next is -- oh, do you have a question?

30 **MR. THOMPSON:** I'd like to either ask a
31 question or make a couple of comments. I'm Ted Thompson,
32 International Council of Cruise Lines.

33 Kira, you imply that, at least that the ISM code -- or you
34 said it had internal audits. For the record, I'd like to clarify that the
35 International Safety Management Code requires a series of external
36 independent audits, also. And, that the United States Coast Guard and
37 their port state control oversight can get into those audits when they find
38 -- if they find some problem on board a ship, they can up that ISM code
39 and bring in the flag state and the class society and get into whether or
40 not that ISM code is actually working.

1 And secondly, there was mention, or reference to a number
2 of violations, 15 violations of air pollution, the cruise line illegally
3 polluting San Francisco Bay, those are all alleged violations at this
4 point, they are under investigation, and I don't think the cruise industry
5 should be tried and pilloried in a public forum for something that's still
6 under investigation. Thank you.

7 **MR. VOGT:** Okay. Thank you. And next up
8 we have Ted Thompson, he has requested to speak.

9 **MR. THOMPSON:** Let me come up here so I
10 can talk to your face instead of to your back, or having you look at my
11 back.

12 On behalf of the members of the International Council of
13 Cruise Lines, I'd like to thank the Environmental Protection Agency for
14 the opportunity to make a statement at this public meeting regarding
15 waste management procedures of large cruise ships.

16 My name is Ted Thompson, I'm the executive vice president
17 of the International Council of Cruise Lines. We are a trade association
18 based in Arlington, Virginia, comprised of 16 member lines that carry
19 approximately 85 percent of the North American cruise passengers on
20 overnight international pleasure voyages. Several of our members are
21 dominant members of the Alaskan market, several operate ships in
22 California, and almost all operate vessels in the Caribbean market,
23 originating from ports in the southeastern United States. Additionally,
24 vessels operated by ICCL call on over 300 ports around the globe. Ours
25 is truly an international industry, and we seek international solutions to
26 issues. If we can't have international solutions, we certainly seek United
27 States wide -- country-wide solutions that are identified in this country,
28 and we appreciate the Environmental Protection Agency's efforts in this
29 regard.

30 ISO member vessels are not U.S. flagged; however, while
31 operating in U.S. waters, all United States laws must be complied with.
32 Additionally, all of our members must meet international regulations for
33 both environmental protection and safety of life at sea at all times. And
34 these international protocols set the benchmark for environmental and
35 safety standards throughout the world. In fact, these environmental
36 conventions to which the United States is signatory have been adopted
37 into the fabric of the U.S. maritime regulatory system.

38 As a business that's dependent upon carrying passengers to
39 beautiful locations where our passengers can experience nature's bounty,
40 our membership recognizes that even a perception that the industry is not

1 meeting U.S. or international standards is damaging to our image, and
2 therefore our prospects. With this reality in mind, the cruise industry
3 has proactively established guidelines regarding environmental practices,
4 safety, medical treatment, and other issues involving cruise ships. These
5 voluntary industry guidelines meet or exceed all requirements in the law
6 of the United States.

7 In the case of industry environmental management
8 guidelines, our policy goals are based upon the following fundamental
9 principles: to fully comply with all applicable laws and regulations; to
10 maintain cooperative relationships with the regulatory community; to
11 design ships to be environmentally friendly; to embrace new technology;
12 to conserve resources through purchasing strategies and product
13 management; to minimize waste generated and maximize reuse and
14 recycling; to optimize energy efficiency through conservation and
15 management; to manage water discharges, and to educate staff, guests
16 and the community.

17 In keeping with our commitment to seek out and incorporate
18 new technologies, several ICCL members have committed approximately
19 a million dollars apiece to field testing gray water treatment systems.
20 These test systems, when fully developed and proven, are expected to
21 remove sediments and impurities from gray water streams to the point
22 that the output is essentially clean water.

23 A copy of this statement, by the way, which I am
24 summarizing here, is in the back right under where it says "Cruise Ship
25 Waste." I put several copies back there, don't know if any are left. We
26 will also post it on our web site, which is W-W-W dot I-C-C-L dot
27 O-R-G. You can find all of our policy statements there, and we will
28 have this statement there also, probably within the next day or so.

29 In responding to the question of what impact gray water and
30 treated black water -- and I emphasize that it is treated black water --
31 that this discharge has on the environment, and in an attempt to be
32 proactive in addressing the issue, ICCL contracted a study by M.
33 Rosenblatt & Sons to evaluate the dispersion of wastewater and any
34 suspended solids and entrained substances into the sea as it is
35 discharged. When completed, the analysis report may be viewed on the
36 internet website. Many of you have already seen this, as we had
37 distributed draft copies for comment. We did receive comments on this,
38 and we have made some alterations to it with regard to the conclusion,
39 which has been removed, because that was a stretch for a conclusion,
40 and we have also incorporated some technical comments. We expect the

1 revised version to be up on our website by this Friday.

2 These calculations demonstrate that wastewater -- excuse me,
3 I'll start over.

4 These calculations demonstrate that wastewater discharge
5 constituents are diluted by a factor of approximately 44,000 when a ship
6 is moving at four knots, and this dilution increases to approximately
7 111,000 when the ship is moving at 10 knots. These dilution factors are
8 based strictly on the internal mixing -- initial mixing concepts associated
9 with mixing zone, and do not take into consideration additional
10 dispersion effects afforded by the vessel wake, tidal or current actions.
11 We believe that this further dilution would be several orders of
12 magnitude.

13 So within the confines of the available data and the
14 assumptions made, ICCL believes that the analysis demonstrates that
15 gray water dispersed constituent concentrations generated by a typical
16 cruise ship are very low. The study provides a strong indication that the
17 concentration of diluted constituents will be well below specified water
18 criteria.

19 We're also discussing actual water sampling programs with
20 the EPA and U.S. Coast Guard. Such an undertaking would take water
21 samples and laboratory test them from identified water locations both
22 before and after a cruise ship has passed through while discharging gray
23 water and treated black water. It is expected that this water-sampling
24 program will yield definitive results that may be used in evaluating
25 actual effect of cruise ship wastewater discharge. The Coast Guard in
26 Alaska, I understand, is undertaking this program next week. They have
27 to do it, if they're going to do it this season, before the ships leave up
28 there, and they start leaving around the end of September. The
29 Environmental Protection Agency has indicated that they will work with
30 us to undertake a similar program in the Caribbean during this season
31 down there.

32 ICCL members -- and I speak for ICCL members, not for
33 225 cruise ships that operate. A lot of those are smaller U.S. flag
34 vessels. A number of them are non-U.S. flag, but non-ICCL members.
35 Anyway, ICCL members have agreed to and support legislation that was
36 introduced this past December that will establish mechanisms whereby
37 the American public could be assured the cruise industry is indeed
38 operating its vessels in a manner that we have specified. We have taken
39 this support even though this legislation singles out cruise ships in
40 particular. In fact, it singles out cruise ships over 10,000 tons, which is

1 ICCL member operators. We support this legislation because it codifies
2 our current voluntary operating practices in Alaska. And I need to point
3 out that when we enter into voluntary operating practices such as we
4 have in Alaska and such as we have here in California not to discharge
5 unless we are under way at six knots, and in the case of California not
6 within California state waters, that we take those operating commitments
7 around the world with us. We're not interested in doing something
8 different in the south China Sea than we are here. We adopt policies
9 that we apply globally.

10 We know about the EPA meetings here, we appreciate them.
11 ICCL and the Coast Guard hosted a forum a couple of weeks ago to
12 discuss management practices on board cruise ships, and that was solely
13 what the forum was intended to do. It was expressed to me later that we
14 failed in our attempt to communicate specific discharge criteria and
15 specific discharge effluent constituents at that meeting, but that meeting
16 was not intended to do that.

17 You all are probably aware of the Alaska Cruise Ship
18 Initiative that is intended to thoroughly review cruise industry waste
19 management and disposal practices and publicly discuss what is currently
20 being done and what should be done to improve the situation. We are
21 participating in this, and in all these initiatives, in a very proactive
22 manner.

23 One of the things, as Kira Schmidt indicated has come out of
24 the Alaska initiative is, that the test results indicated significant
25 concentrations of bacteria in the wastewater, not only of cruise ships of
26 the ICCL operators, but also smaller cruise ship operators. This was a
27 surprise to all of us, and we are proactively looking at why that is the
28 case. What is it with the MSDs, the marine sanitation devices, that need
29 to be improved or are not operating within specification, if that is the
30 case.

31 Part of the problem, or issue, may be that we have agreed to
32 not discharge the gray water and black water in port, and because after
33 this black water is processed, and because the gray water and black
34 water are then held in holding tanks, it may act as an incubation area for
35 the bacteria.

36 But in conclusion, the cruise lines, together with our sister
37 associations, Northwest Cruise Ship Association and the Florida
38 Caribbean Cruise Association, and the cruise vessel operators of each of
39 these associations, we are dedicated to responsible environmental
40 management and the protection of our natural resources. We are

1 committed to working in partnership with the Environmental Protection
2 Agency, United States Coast Guard, other federal, state and
3 environmental protection agencies, and public environmental advocacy
4 groups such as the Centers for Marine Conservation, Ocean Advocates,
5 and Bluewater Network, to not only find productive solutions to the very
6 real issues that confront us on a daily basis, but also to reassure all
7 involved parties by putting to rest unfounded rumor and speculation. We
8 need to know the answers.

9 At one point, Mr. Vogt said, he indicated that Bluewater
10 Network had brought forth a problem to EPA that was being addressed.
11 Bluewater Network identified a problem. I was pleased when Kira
12 Schmidt stated that they brought forth their concerns. And quite frankly,
13 I think that the actions that they requested of the EPA are right on
14 target with regards to those concerns, and that's what we're in the
15 process of doing in Alaska, in Florida, and here with the Coast Guard
16 and with the EPA, is addressing those concerns to see whether or not
17 there really is a problem. There has been no problem actually identified,
18 other than the fact that the MSDs may not be working quite as
19 advertised, and we're finding out why.

20 I think that when we get the gray water treatment systems in
21 place, that some of these issues will actually go away, because we'll be
22 essentially dealing with clean water.

23 There's another issue that I -- I don't want to blindside EPA,
24 but we haven't provided you comments on your paper yet, your White
25 Paper. But there are a couple of things I would like to point out,
26 because I know that it was distributed in the back and there are some
27 things in there that we don't necessarily agree with that we would like
28 you all to not go away with a misperception. First and for most, we're
29 concerned that in the White Paper it reiterated a number of comments
30 from Bluewater, the Bluewater petition, that are not quite accurate. In
31 particular, as an example, it was quoted that cruise ships produce and
32 discharge approximately 11 million gallons of gray water per day, and
33 that's totally inaccurate. Cruise ships produce and discharge around
34 180,000 to 230,000 of gray water and treated black water a day. So
35 there are things like that in the paper that we believe should not be put
36 out, and corrected at some point by the proper facts by the EPA.

37 Another thing that we noted, that I would not like people to
38 go away with the wrong impression, is the paper specifically states that
39 cruise ships have -- it says most cruise ships employ holding tanks for
40 MSDs, even though the discussion of the MSDs, the type one, two and

1 three, is accurate in the regards to type two is required over 65 feet, it
2 then goes on to say most cruise ships employ holding tanks. To let you
3 know, all of the ICCL members have type two marine sanitation devices.
4 And the holding tanks we have are for holding the discharge from the
5 MSDs, after it passes through the MSD, so that we do not have to
6 discharge in port. But in terms of the MSD itself, we have type two
7 MSDs, not holding tanks. And there were some other minor comments,
8 but those are two that I didn't want this public meeting to go away with
9 misperceptions about the cruise industry that were in that White Paper.
10 Thank you very much.

11 **MR. VOGT:** We'll reverse roles a little bit.
12 Since you're at the podium, I'll take the outside mic.

13 You represent a number of companies certainly that are all
14 foreign flagged, and I guess you have experience in 300 ports, what
15 other countries are you dealing in that have similar concerns? Not
16 problem, I caught that. But the concerns that have been raised through
17 the Bluewater Network petition and the ones that we're addressing, are
18 there other countries that have raised these, and other ports that have
19 raised these kind of issues?

20 And, are there other conflicting type of rule making and
21 regulations in those other countries?

22 Are we all moving toward the same kind of thing?

23 And following on to that is sort of my recognition that there
24 is a very limited amount of information and data for treated black water,
25 raw black water, gray water. What's coming out of Alaska, it seems to
26 be original research, and it seems like there's a whole lot of other
27 countries that would be doing the same kind of thing. So that's my
28 question to you, are you aware of any other information from any other
29 efforts in any other countries?

30 **MR. THOMPSON:** I know there's a number of
31 countries that have established no discharge policies within their
32 territorial waters. Turkey, I believe, is one; some of the Caribbean
33 countries, at least one Caribbean country. I'm not sure of others.

34 The international Maritime Organization is looking at
35 revising what they call Annex 4, which is the sewage annex, the gray
36 water, black water annex. I don't know what kind of research is being
37 done in other countries, the Coast Guard may be able to address that.
38 Because the other ones that are dealing with the Annex 4 adoption issue,
39 from my knowledge -- I agree with you that the research that's being
40 done in Alaska seems to be original research. I am not aware of any

1 other research, other than the Uniform National Discharge Standards
2 program, that is being done with regards to gray water and black water.

3 **MR. VOGT:** All right. I have one more
4 question and then my panel is going to do the same. Ted, you can have
5 the podium.

6 My question first, however.

7 The gray water systems which you say are being tested by a
8 number of your members—

9 **MR. THOMPSON:** That's correct.

10 **MR. VOGT:** -- what kind of timing are you
11 looking to?

12 I mean, you talked to once successful they will be installed
13 and we'll have good, clean water coming out of those discharges, what's
14 the timing of that?

15 **MR. THOMPSON:** We have four different
16 companies that are using essentially four different technologies in test
17 platforms aboard their ships. My understanding is, that we're looking
18 for some answers within the next six months or so. These systems have
19 been on the ships for -- well, some of them as few as just a couple of
20 months, others for as much as a year. The initial system on one of our
21 companies did not work as advertised in the laboratory, so they had to
22 take it off, make some modifications and put it back on.

23 This is cutting-edge-technology-type- stuff that we're trying
24 to install aboard their ships to deal with large amounts of gray
25 water/black water. This is not something where we're talking about two
26 or three gallons in a laboratory, we're talking about 180,000 to 230,000
27 gallons a day.

28 I don't have any definite time frame, but from talking to our
29 members, my impression is that we would rather have it done sooner
30 than later. And if we can get it done and installed within the next year
31 or so, we will be very pleased. But I don't know that that's going to
32 happen, it depends on how this technology is going to work out in the
33 field. And that's an important point, it's got to work. The thing we
34 don't want to do is put ourselves in a further position of credibility by
35 saying we're putting these systems aboard our ships and then they don't
36 work, and then we're held up to ridicule, or because we've done
37 something voluntarily and it's cost a lot of money, but we didn't do it
38 quite right. But we want to do it as quickly as possible, but we want to
39 do it right.

40 **MR. VOGT:** Okay, I'll just say that I'm

1 certainly very interested in the technology side here in terms of the
2 technologies, the techniques that are being examined and put on board.
3 And, you know, as you can keep us in the loop on that, I very much
4 appreciate the knowledge that we can get on that.

5 Dorn, did you have something to say?

6 **MR. CARLSON:** Yes, I had a couple of
7 questions. You actually stole one of mine, Craig.

8 I just want to second what Craig said about how useful it
9 would be for us to stay plugged in to what you're doing with the
10 technologies, the gray water treatment technologies. So, I realize that
11 you probably can't answer that off the top of your head.

12 **MR. THOMPSON:** My answer to that would
13 be, we've got four different companies involved, we can certainly
14 provide you the names of those companies and get you in touch with the
15 people that are working on those technologies.

16 **MR. CARLSON:** Thanks. Also, I just want to
17 thank you for taking a look at that White Paper. And the information
18 that you just provided here about the amounts of gray water, keep it
19 coming. And any other information in reference to the White Paper in
20 general on discharges would be very welcomed. And I actually had one
21 real question, which was, could I just get a reference to the legislation
22 that you referred to that you're supporting?

23 **MR. THOMPSON:** That legislation was
24 initiated by Senator "McKowski", and it's tacked on to the Coast Guard
25 Authorization Bill. I don't know the exact number of it. And in terms
26 of the number I gave you on the gray water, that comes out of the
27 Alaska report. Again, that seems to be becoming the defining and
28 definitive research in this whole thing.

29 **CAPTAIN BASEL:** I'd just like to get one
30 point of clarification. I think, or I'll ask you, did you say that all of the
31 ICCL members discharge all of their sewage through MSDs no matter
32 where they are?

33 **MR. THOMPSON:** No, I didn't say that. I said
34 we all have type two MSDs.

35 **CAPTAIN BASEL:** Okay.

36 **MR. THOMPSON:** Okay. There is one type of
37 a type two MSD, that is essentially "amasseration" and chlorination and
38 dilution. And the company involved in that does have valves that when
39 at sea, and their policy is 12 miles at sea, they can bypass that system.
40 However, the MSDs that use the aerobic process with the little bugs that

1 process the sewage, you pretty much have to use those all the time,
2 otherwise those bugs die.

3 **CAPTAIN BASEL:** All right. Thank you.

4 **MS. SCHMIDT:** Ted, the 11 million gallons
5 was actually wastewater, not gray water, and that came from an EPA
6 official in Alaska.

7 **MR. THOMPSON:** Wastewater or gray water,
8 11 million gallons, none of our ships process 11 million gallons of
9 anything.

10 **MS. SCHMIDT:** I was just clarifying that. The
11 federal legislation which you referred -- which you said you support is
12 HR 820. And it's, as Ted said, the Coast Guard Authorization Act. That
13 was introduced by Senator "McKowski" in May, and somehow has
14 changed drastically in the interim, and just passed the senate a few
15 weeks ago. We're very, very concerned about the way that it looks now.
16 And I can -- I'd be happy to share with you the four page letter which
17 we sent to all the senators on the conference committee.

18 Our main concern is that the outcome of this process that the
19 EPA is undertaking in response to our petition, as well as any other
20 agency that does any study, has to go through review prior to publication
21 by the cruise industry. And I don't think that's appropriate. And if
22 there is any rule making that comes out of any study, including the EPA
23 assessment, it has to undergo scientific purview, which we also think
24 would drastically delay the process that I think needs to happen quickly.

25 We have some other concerns, which I'd be happy to share
26 with any of you at a later date. And I just had one question on the gray
27 water analysis which you described. Is that based on actual samples of
28 gray water from cruise ships?

29 **MR. THOMPSON:** I'm sorry, which gray water
30 analysis?

31 **MS. SCHMIDT:** The one that you described to
32 us at the beginning of the --

33 **MR. THOMPSON:** The dilution study?

34 **MS. SCHMIDT:** Yeah.

35 **MR. THOMPSON:** We took the information
36 from gray water sampling and what we thought it was going to be, some
37 information from the "UN" study, some limited information of sampling
38 we had done internally, previously our members had done, and
39 preliminary returns from the Alaska study to identify that gray water
40 stream. In fact, when that first wave came back with the one fecal

1 coliform at 24 million in the discharge -- we had assumed five million
2 based on what we had learned previously. But we just recently -- part
3 of the comments that we received back was, gee, 24 million versus five,
4 so we went and redid those calculations for 24 million.

5 **MS. SCHMIDT:** Thank you.

6 **MR. THOMPSON:** And you're right, the
7 "McKowski" bill does look for scientific purview of any studies or any
8 conclusions. I don't understand why anybody would object to having
9 some sort of scientific basis for a regulatory process.

10 **MS. SCHMIDT:** There are plenty of existing
11 processes for which regulations must undergo, public and industry
12 comment, and we think those are adequate.

13 **MR. THOMPSON:** I think this gentleman had a
14 question. Maybe not.

15 **MR. EICHENBERG:** I just had a comment on
16 the discharge of gray water. I looked through the petition and the White
17 Paper, and it mentioned one thousand gallons of gray water per week,
18 not per day -- one million, excuse me. So that figure was per week, not
19 per day, one million gallons. That was in the petition, the rule making
20 petition, and also in the White Paper. And the citation for that was the
21 Royal Caribbean annual report, 1998.

22 **MR. THOMPSON:** Okay. I'll have to look at
23 it again. What I read said 11 million essentially per day. But that
24 might have been changed at some point.

25 **MS. MCGEE:** I'm Kelly Mc Gee with American
26 Oceans Campaign. Just a point of clarification. You were mentioning
27 the Coast Guard studies of wastewater sampling, which you were
28 discussing, and you were talking about the fact that EPA was going to
29 have a similar program in the Caribbean, can you elaborate on those
30 programs?

31 **MR. THOMPSON:** Not to any great extent.
32 After our meeting in York Town a couple of weeks ago, Mr. Vogt
33 actually said that he thought he would have access to a research vessel,
34 and would we, the industry, be willing to work -- enter into a research
35 program with them to do water sampling whereby baseline samples would
36 be taken, the ship would then pass through, and water samples would be
37 taken after the ship passes through at certain locations and certain times,
38 I assume. At the same time, we, of course, would have to have samplers
39 on board the ship to sample what's being discharged and at what rate it's
40 being discharged and where it's being discharged from the ship, and

1 things like that.

2 Actually, Commander Paige up in Alaska, like I said, is
3 doing a similar thing starting next week. And we are planning, I hope,
4 Mr. Vogt, EPA representatives, ourselves, Coast Guard, to get together
5 on Friday actually to try to identify some overarching protocols so that
6 those sampling results will be comparable. We don't want to do one
7 thing in one location and something in a different location and not be
8 able to compare the results. So that's kind of a work in process.

9 **MS. MCGEE:** So in general, your industry is
10 amenable to sampling from your ships from different waste streams, so
11 you're working with EPA and the Coast Guard on that?

12 **MR. THOMPSON:** We're already involved in a
13 program of sampling the waste streams.

14 **MS. MCGEE:** Well, external sampling?

15 **MR. THOMPSON:** The sampling right now, if
16 I'm not mistaken, is sampling of the treated black water as it comes out
17 of the MSD, and then the gray water and treated black water as it goes
18 overboard. And they had to put -- the ships had to put in special
19 sampling "pepcock" type things to take those samples, and they did that
20 as close to the overboard charge as possible.

21 **MS. MCGEE:** Okay. Thank you.

22 **MR. VOGT:** Thank you.

23 In regards to what we just mentioned as the study of -- that
24 EPA and the Coast Guard is actually going to do something up in Alaska
25 starting next week in terms of dispersion and measurements, actual
26 taking measurements in the water before and after a ship passes, yes,
27 that is something that -- it's sort of a figment of my imagination at this
28 point.

29 I do have a research vessel, a monitoring platform, which we
30 plan on taking down to the Caribbean this winter and designing. Have
31 to design the protocols, as Ted mentioned. And I'd like to say that, I
32 understand in Alaska, the Alaska working group has members in that
33 working group from stakeholder representatives so that everybody can
34 get their comments and thoughts in that, and the thing we do in the
35 Caribbean will be similar. We want the same kind of protocol so that
36 we have, you know, you've got cold Alaska waters versus the warm
37 Caribbean waters. These ships in Alaska go to the Caribbean in the
38 winter, so it's the same vessels going down, so we would like to have
39 the sampling protocols and that kind of thing done correctly and
40 consistently, but in doing so we need to have everybody's input in design

1 of the survey and that kind of thing. It's not a simple matter and it's
2 not cheap. We will not be able to do, I'm sure, everything, but we will
3 try to make it certainly worthwhile. And I think it's real interesting
4 work and original work. And if we are the only country that is moving
5 forward on this, it ought to be pretty valuable to the rest of the world,
6 as well.

7 We have Pam Church, are you here? No. Okay. Then Don
8 May, I think you're here, if you'd like to make a statement. Thank you.

9 **MR. MAY:** Maybe if Ted Thompson finds it
10 better to come up here, I should try that too. I wanted to make a couple
11 of comments. We really were here to find some information, but perhaps
12 our comments can help. California Earth Corps, like Bluewater Network,
13 really was incubated out of Earth Island, so it's no surprise that we're
14 fully supportive and hurriedly endorse, and really want to thank
15 Bluewater Network very, very much for bringing this petition forward
16 and raising these issues. So, we're all indebted to you. Thank you.

17 We differ in that our focus has been on shore and in the
18 near ocean waters. Although, also we have been pretty preoccupied with
19 water issues and the Clean Water Act. And perhaps some comparison of
20 our local inter-trenches experience under that would help you as you go
21 forward. One is monitoring and modeling. Earth Corps does a lot of
22 Prop 65 work in which we go out and model, prepare discharge around
23 plants, fence, and put those data back into the model, essentially to run
24 the model backward to see how much would have had to be generated
25 from a point source in order to do this. And in fact, looking at diesel
26 emissions from trucks, a moving point source, if you would, it has
27 modeling that's very, very similar to what you might look at with a
28 cruise ship or other vessel. So I would urge you to look at some of our
29 models and how that works.

30 As a long time person who is involved over the past 50
31 years with discharges from publicly owned treatment works, you might
32 look at, first of all, the similarity with MSDs, and second of all, what
33 happened to us over all those years. It wasn't until we started learning
34 exactly what was in an effluent that you could come up with an effective
35 strategy for control.

36 So I would first of all point out to you that you can in fact
37 put traveling monitors and instrumentation on every ship, that makes it
38 not guesswork but gives you a good record of exactly what's been
39 discharged. In particularly, looking at sewage, looking at the control
40 methods that POTWs have had over ocean discharge, what has been

1 effective, and, first of all, of course, the Clean Water Act. When that
2 came in it changed the idea away from parts per million and dilution
3 into treatment, and secondary treatment in particular. So if you look at
4 any ship as a traveling part of the U.S., so as to regulate it as you
5 would on shore, it has an analogy with NPDES permits and that sort of
6 thing, then certainly that holds true for a cruise ship, which carries not
7 just cargo but, of course, people, citizens, residents and so forth.

8 So while Earth Corps would look at the discharges from
9 ships in harbor, particularly hoteling discharge, as a Prop 65 issue,
10 because it effects the residents and citizens of California directly, so you
11 could adopt the same sort of thing with a cruise line in particular. And
12 I would look for the same sort of treatment strategies as you found
13 under the NPDES program, except, as I commented before, please do
14 retain the authority within EPA and not pass it onto our regional water
15 boards that seem to have difficulty in handling this sort of thing. So
16 this should be an EPA controlled regulatory strategy.

17 In looking at gray water, likewise, we'd look at that as very
18 similar to the current things going on on shore with storm water runoff.
19 In fact, it is the same kind of constituents and what we call SUSMPs,
20 standard urban storm water mitigation plans. The strategy behind
21 SUSMPs and control of emissions -- gray water in particular -- from
22 ships is very important. That involves retention and filtration, and
23 slowing things down and preventing the release.

24 You certainly again better need to define exactly what's in
25 gray water, because you may have a prevention -- once you know what's
26 there you can prevent it from ever getting into the waste stream. And
27 until you know what's there you can't really come up with a strategy to
28 control it.

29 We're delighted that you've added ballast. And I would,
30 with that -- exotics, for instance. One of the things we're heavily
31 involved in is wetlands restoration. And after you get the land form
32 restored in the wetland, then it's a big weeding project because what you
33 have is an influx of exotics that come in. Almost more animal aquatic
34 species than plants, but both. And clearly, a lot of those arrived here in
35 the ballast of ships. Exotic species are going to be more and more a
36 preoccupation nationally and locally. It certainly is a big one that we
37 found, and we need to control those at the source, which we believe is a
38 lot in the ballast. Likewise, as a part of ballast is another issue we've
39 been involved in locally, and that has to do with the hot tank cleaners.
40 Tank cleaners for cargo, but also cleaners that are put into ballast water.

1 A lot of those toxicants, that if you discharged in that kind of levels in
2 an enclosed bay or estuary, willfully and knowledgeably, and refused to
3 do anything about it, you can be put in jail. I don't mean to accuse
4 anybody, Ted, but you have criminal provisions for those things. That
5 certainly is enough to change people's attitude when it comes to
6 compliance.

7 Likewise, with air emissions we refer to our concerns,
8 particularly the hoteling emissions of ships. And while cruise line
9 operators particularly -- and on a local level, our concern is with
10 Carnival Cruises and its location or relocation. That's currently a big
11 issue in front of us locally, whether it goes in front of Pier J in Long
12 Beach or stays in Los Angeles, and the impacts of what can be done to
13 mitigate those right now locally.

14 I understand that cruise ships don't use diesel or
15 two-cycle-type emissions. If that's true categorically as well as to just
16 Carnival, we don't know. Certainly, any information we'd appreciate.
17 And certainly, from a regulation viewpoint, a ship that doesn't discharge
18 "particulate" diesel like emissions should have some very different rules.

19 Dispersion plumes, again something we've had a lot of
20 experience with. We're part of an 84 million dollar study down at San
21 Onofre, and a good part of which was modeling the plume. That
22 provides a whole lot of information that you could use in modeling what
23 comes from a ship. And one of the things that, of course, happens --
24 and we talked about things that are not legal into an enclosed bay or
25 estuary, and the answer is, well, yeah, but look at the dilution factor out
26 in the middle of the ocean. In fact, it's not all that much different. Our
27 modeling of dispersion plumes show that they really hang together and
28 operate more like a drift net that wipes out life as it drifts down through
29 the seas. We'd love to share that kind of modeling information with
30 you.

31 Yes, and solid waste. There's another thing that we'd like to
32 -- one of our associated groups down in Long Beach, "Aldaleda" Marine
33 Research, just did a study of the Pacific "gyer", which was a fairly
34 controlled -- quite a good supported scientific study of debris and what
35 has been called "murdles". In fact, the very small pieces of plastic that
36 particularly Pacific gyser makes is an incredible amount of waste. In
37 fact, if you do the ratio of those solid wastes to plankton, which is over
38 half, and look at the impact on filter feeding creatures, and, of course,
39 they tend to be the biggest, the whales and the whale sharks and the
40 mantarays, and that sort of thing. And when any filter feeder starts to

1 get half of its, or more of its intake in inert material, that's an enormous
2 problem. You ought to look at "Aldaleda's" data, particularly because it
3 has an opportunity to show a direct statistical relationship with cruise
4 ship derived material. You can look at where those particles come from
5 and statistically determine what their origin is; and as it particularly
6 refers to cruise ships and all other carriers out there, gives you a way to
7 fractionate out who's responsible for what.

8 Talked about fuel oil and bilge water, and
9 particularly that has some Prop 65 implications within the mile limit.
10 But off-shore you might look at Prop 65's type of requirements and
11 enforcement strategies as being applicable in this case. In fact, let me
12 conclude with that. There is on shore what's called the Community
13 Right to Know Act and Toxic Release Inventory, so that any citizen,
14 group of citizens or city, can pull up to see exactly what it is that's
15 being carried and what it is that's being discharged and who's carrying it
16 and the complete status of it. That's a very important thing not only for
17 regulation, but for the communities to know. And I would certainly like
18 to see that, and I think that sort of thing falls squarely within the
19 regulations in your regulatory authority. With that, thank you very much
20 for your comments.

21 **MR. VOGT:** All right. Dorn.

22 **MR. CARLSON:** Dorn Carlson. I have just
23 one question that again really isn't a question. But I would like to take
24 you up on your offer to share the details of that plume study that you
25 did.

26 **MR. MAY:** Absolutely.

27 **MR. CARLSON:** If you'd just pull up one of
28 those things in the back that has the hard copies of the posters on it, it's
29 got our address and E-mail and phone number and everything in there,
30 and then we can start a dialogue going. Thanks a lot.

31 **MR. THOMPSON:** I'd like to ask one question
32 -- Ted Thompson. I'd like to ask one question and make one point.
33 First of all, you mention this study of the little plastic whatever it is and
34 implied that you have evidence that the majority of that comes from
35 cruise ships. That's what I got from what you said; is that true or not?

36 **MR. MAY:** No. Let me correct that then.
37 What I said was, it's readily identifiable just grossly looking at it. What
38 it is, it's cruise ship contribution. Some of it is very ambiguous, some
39 of it is not. It might be worthwhile to take that data and go through it
40 and see what the statistical relationship is, not only with cruise ship

1 flotsam, polyethylene, polypropylene, stuff that's been tossed overboard,
2 released somehow, but also from a lot of other ships, and even the
3 source of manufacturer because you can fingerprint it.

4 **MR. THOMPSON:** If you would provide at
5 least me with that information. Our members have adopted a new
6 discharge policy for that type of thing, and if we have anybody that's
7 getting our stuff overboard, they'd want to know about it. So if you'd
8 share that with me, I'd appreciate it.

9 The second thing I'd like to point out is, a couple times it's
10 been mentioned that we could or should discharge black water, gray
11 water to municipal sewer systems. There are very, very, very few
12 locations within the United States where any ship can do that.

13 **MR. MAY:** I'd like to respond to that. That's
14 exactly the reason that gray water, and even the secondary treated black
15 water, should be discharged through your treatment system. It wasn't
16 until we had a clean water act and until the secondary treatment
17 requirement was imposed on POPWs, that if you're going to have bugs in
18 their working on it you have to have source control and you have to be
19 sure that the things that are discharged through your MSD is in fact
20 non-toxic, and that requires you to neutralize, to otherwise treat or
21 handle material before it goes into your MSD. So I would certainly
22 emulate the appropriate sections of the Clean Water Act requiring
23 secondary treatment, and looking for that to be incorporated into ship
24 board systems.

25 **MR. THOMPSON:** And if I could just make
26 one response to that. In fact, part of our waste treatment management
27 calls for source segregation, and all of our members have adopted that.
28 So we are controlling what goes into the gray water, what goes into the
29 black water. Albeit, yes, there were some hazardous chemicals a number
30 of years ago apparently in one gray water, all of our members have gone
31 through their systems and segregated those things out. And we are
32 working with the Coast Guard, by the way, to come up with an oversight
33 inspection plan for assuring that. I mean we're saying that, but you need
34 to be assured that we're doing that. And we are working with the Coast
35 Guard, per their inspection officers, to be able to do that.

36 **MR. VOGT:** Okay. Thank you. That runs
37 through my list of people who said they wanted to make a statement. Is
38 there anyone we have missed?

39 **MR. ZWICKER:** I didn't sign up because I
40 didn't plan on making a statement today, but I'd like to after hearing

1 some of the testimony.

2 My name is Stan Zwicker, I'm an environmental consultant
3 with over 30 years in environmental control. I've served in the past as
4 an advisor to congress on the Clean Air Act, and that's just a way of
5 qualification. I am not employed by anybody in the cruise ship industry.
6 I have been, over the last five years, intimately involved in the ISO
7 14,000 environmental management systems, which, as you know, is a
8 voluntary program, and one that I find has been extremely successful in
9 positive, proactive industries developing programs that work.

10 I heard a few comments today about the voluntary programs
11 not working in terms of the certified programs that they have; that's not
12 my experience. I've worked in both major industries, manufacturing,
13 construction; I'm also working currently with a hotel chain developing an
14 environmental management system for them, and it really works. By
15 establishing the aspects and impacts, and understanding what your
16 interactions with the environment are, and then developing programs and
17 goals and objectives to improve performance, I think industry involved
18 alone in a voluntary basis can develop programs positively and do a
19 good job. There are checks and balances in there that allow for and
20 require public input into the process. It requires audits, it requires
21 management review and a plan due check/act cycle for review in a
22 closed book system that really works. And I don't want this group to go
23 away thinking that regulation is the only way to go. Command and
24 control has gotten us a long way, but I think the wave of the future is in
25 the environmental management system. I would urge you while you do
26 your deliberations, to seriously consider using a system there. It doesn't
27 have to be ISO 14,000, but an environmental management system, I
28 believe, truly is the way to go for the future. And that's my comment.
29 Thank you.

30 **MR. VOGT:** Is there questions or commentors?

31 First the panel gets a shot at it. Any comments?

32 I guess your name first.

33 **MR. ZWICKER:** Stan Zwicker, Z-w-i-c-k-e-r.
34 I'm serving on the Region 9's Merit Partnership Steering Committee, so
35 those of you in Region 9 might have some knowledge of that program.

36 **MR. MAY:** This is Don May. My comment is,
37 the apparent reason ISO 14,000 and the rest of the (unintelligible)
38 regulations work is because you're enforced by the marketplace. You
39 can't market your goods in many places, especially many countries,
40 unless you have some ISO recognition. That same philosophy could

1 drive some of this cooperative work particularly through your
2 environmental task force, and if that's the case we'd like to be included.

3 **MR. ZWICKER:** That's a good point. But
4 what I've also found in my experience is, that when companies get
5 involved in the process, there's a tremendous learning curve and a
6 tremendous teamwork and spirit that builds up, and companies do the
7 right thing. I know the cruise industry tends to do the right thing.
8 They've got a lot of good studies going on now, I think they've got some
9 policies in place, and all of that can be brought within the context of an
10 environmental management system program, which will give the results
11 that everybody's looking for.

12 **QUESTION:** I'd kind of like to respond to that
13 by saying that the "gyer" study that was done in the middle of the
14 Pacific by the "Aldaleda" Marine Institute, it's quite astounding. That
15 "gyer" is about the size of (unintelligible), and the floating trash on the
16 top is very visible. It's floating plastic. And as it has broken down
17 through the top of the ocean down to the bottom, it breaks up to little
18 pieces.

19 If you were a diver and you were to look through that water,
20 it would be very similar to a Christmas tree ornament that you would
21 shake up and you would see plastic floating around. The bottom of the
22 ocean is -- I believe it's seven to one plastic to plankton. And a few of
23 the examples were shown that when they pulled up jellies, the jellies
24 who absorb critters to survive, how are full of plastic. So some of these
25 things that you are talking about, these regulations that are in place and
26 are working, I don't think they seem to be working very well. And that
27 plastic, that trash, is already there. And most of it, I'd say 99.9 percent
28 of it, I understand, is nautical in nature.

29 So the comment that Mr. Walsh from Carnival Cruise
30 brought up earlier about the trash in the ocean, that Carnival is just a
31 small contribution, yeah, that's probably true, but it's a big problem.
32 And all of the other industries that are represented in this room have to
33 take a look at the consequences of what we're doing on a continuing
34 basis. And the public, we all own the oceans, and it's pretty trashed.
35 And when this gentleman, I can't recall your name, who talked about the
36 six months to a year before your processes may be working, there's a
37 possibility that, what happens if it doesn't? Are we stuck with a
38 continuing -- the pollution that's ongoing? And, at what point do we say
39 you don't get to be in business anymore because your pollution is over
40 the top? And there's not much room left for the continuing pollution

1 that's going on.

2 And I'd like you to take a look at that three mile limit, and
3 possibly you should double that. If you can't stop it, double it, okay?
4 Or maybe even triple it. Thank you.

5 **MR. VOGT:** Okay. On the three mile limit,
6 that certainly takes the act of congress. But, of course.

7 **QUESTION:** We've got time.

8 **MR. VOGT:** That's right. I'm not saying it's
9 not a simple matter for this group to do that, but that is certainly one of
10 the things that we have heard before.

11 Ted, did you have something to say?

12 **MR. THOMPSON:** I would like to just briefly
13 respond.

14 Dumping plastics into the ocean is strictly forbidden. I
15 won't say it doesn't still happen, it should not, and I don't believe it still
16 happens from cruise ships. There was an awful lot of plastics that were
17 discharged into the ocean before MARPOL Annex 5 went into effect, it
18 did not apply to government ships. You know, there's an awful lot of
19 ships in the world. Cruise ships, the type that our members operate,
20 make up maybe one and a quarter to one and a half percent of the total
21 shipping in the world, and we have some very strict controls.

22 As far as your comment on gray water is concerned, what if
23 it doesn't happen? We think it's going to happen. These are
24 technologies that are cutting edge. We're working to make it happen.
25 But I will tell you that again, nobody here, neither you nor anybody else
26 here has shown anybody a scientific study that shows that the gray water
27 has been detrimental at this point. I'm not saying that it doesn't, I'm
28 saying that there isn't any study that we're responding to. We're working
29 very proactively with the EPA and the Coast Guard and the states, and
30 you all, but we're shooting at a moving target. You're telling us that
31 you may want us to go out of business, and yet we're one-and-a-half
32 percent of the shipping industry. This is not a cruise industry issue that
33 you're talking about. Every one of these ships plying the oceans of the
34 world have people on them that produce the human waste. We carry a
35 few more people, a lot more people, but we also have secondary
36 treatment systems on board, and we're a very small percentage of the
37 maritime industry.

38 Now, if MSDs are not working properly on cruise ships --
39 and I've been told they weren't operating properly on the smaller U.S.
40 flag ships either. You've got a whole bunch of other maritime industry

1 ships out there that have these MSDs also, and some of them don't --
2 quite frankly, some of them have holding tanks, some of them don't. If
3 you're going to change the regulations, let's look at the whole industry,
4 because the cruise industry is a very small portion of it.

5 **MR. VOGT:** Okay. Can we go to Kira first?
6 Thanks.

7 **MS. SCHMIDT:** I just wanted to reiterate that
8 the reason we're focusing on cruise ships is because they are different
9 than other ships. As you said, Ted, they carry several thousand more
10 people than any other kind of ships. So I'll just say that again.

11 The other thing is, the UNDS study is the one study that we
12 can site which does say that gray water has the potential to cause
13 adverse and environmental effects. So I'll just reiterate that.

14 **MR. VOGT:** Which study was that?

15 **MS. SCHMIDT:** The Uniform National
16 Discharge Standards study.

17 And you mentioned that there were mechanisms whereby
18 there can be public input into ISO certification processes, and I was just
19 wondering if you could explain that a little more.

20 **MR. ZWICKER:** The ISO 14,000 EMS
21 requirements include 17 elements, 51 requirements. Among them are
22 requirements for consideration of state covered opinion interests, ways to
23 communicate with the external community. That's all got to be part of a
24 plan. If it's going to be certified, you have to meet each one of those
25 requirements.

26 Every time I've worked on one we've worked very closely to
27 make sure that we do get the public input, we do create a mechanism
28 whereby concerned parties are notified, stakeholders are advised, and
29 develop the aspects and impacts, and then programs based on the input
30 from those people. So it does work. It's right in that system to make it
31 work.

32 **MR. MAY:** Don May. My comment as well is,
33 there's a big difference in ratios. And the ratio of passengers, 1200 or
34 so on a cruise ship to eight to ten on a VLCC super tanker is a big
35 difference. Likewise, the difference in terms of gallons of discharge that
36 -- as 60 times difference in two folks, maybe two orders of magnitude
37 along the way. All of this points out the need for monitoring to see
38 exactly what it is you're dealing with. You have to know that before
39 you know how you're going to control it. And we do indeed know
40 exactly what the toxicity of different discharges are, that's well

1 established from on-shore things. It's a simple extrapolation of that to
2 what kinds of densities of that particular toxicant you're going to see at
3 a particular place in the ocean, and that you can find out directly from
4 monitoring. Thank you.

5 **MR. VOGT:** Okay. One more comment, but
6 you have to use the microphone.

7 **MR. WALSH:** I do have a question. Again I
8 can understand the ratio aspect that you see, I think, on this coast.
9 Typically, for California there might be three cruise ships that operate
10 out of here on a regular basis. Three large cruise ships. My question
11 would be on fishing boats, on recreational boats. I know in the state of
12 Florida that we have close to 800,000 recreational craft registered, and
13 those boats don't have type two MSDs. Now, just on your typical nice
14 long weekend, a Saturday or Sunday, 800,000 boats, give it three or four
15 people per boat, and they go out for eight to ten hours, I don't think
16 they're holding it. I don't know what they're doing with it, but I'm sure
17 it's not being treated. So if you talk about ratios and size, you're going
18 again after the wrong people. You're going after a very small percentage
19 of something that is being treated and is being monitored. If you want
20 to go after the larger constituent you've got to take a look at the entire
21 population. And that population, unfortunately, is very large in the
22 recreational boating, fishing, day boats.

23 **MR. VOGT:** Okay. Thank you. I think we're
24 winding down in this conversation. As you note, our role here in the
25 panel is to ask questions and to get clarification. And you have not
26 heard us, I hope not, issue too many opinions because we are
27 formulating those as we go through here and trying to collect the
28 information too.

29 Number one, do the assessment. And that's looking at
30 characteristics of water and wastewater and waste that's coming from
31 cruise ships. What are we doing now on policies and regulations? What
32 are those options? How well we're doing and what should we do. So
33 that's where we're going.

34 I think this conversation and information has, I think, been
35 really useful. We're a little low key here today, there's nobody yelling
36 and screaming at each other, so that's good. Not necessarily as much
37 fun as it could be, but we're pretty mature at this point. And I've been
38 through a number of these type of hearings where there's been very, very
39 difficult issues. Not to say this one is not. But I think this one -- I'll
40 give you an opinion here that there seems to be a willingness to at least

1 search out to find some of the assessment questions of what it is we're
2 dealing with and what are the options that we have before us and what is
3 the right way for it. And I do hope we can work together in doing that.
4 And if you saw the process that we're going through: public information
5 hearings, do a draft assessment, put it out for stakeholder review,
6 develop recommendations, discuss that, have a dialogue with stakeholders
7 -- that we all can come to the same conclusions, that's the right way
8 forward.

9 So with that, I remind you that we're going to do this again
10 tonight at 6:00 o'clock. I do not want to have the same statements again
11 this evening. I would like to take new statements, but not the same
12 ones. So I don't know if we have -- do we have anyone who signed up
13 for this evening to speak? No? Okay. It may be a very quiet evening.
14 But it is meant to be for the people that have other jobs that are not
15 involved in the industry, they can come and speak in the evenings after
16 their day jobs have been taken care of. So with that, any comments
17 from the panel? Yes.

18 **MR. CARLSON:** I just wanted to say that when
19 you get home, if you remember something that you forgot to say here, or
20 you heard something that you need to go back and look up before you
21 respond to, keep the information that told you where you could send
22 information to us, if you would. If you've thrown that away already, the
23 comment cards on the back table also have a mailing address as well as
24 an E-mail address. And please send us other information if you have it.
25 We have a website, too, that's in the federal register notice, I think.
26 What is it? I don't remember. Isn't it cruise-ships-at-EPA-dot-gov.

27 **MR. VOGT:** Cruise-dot-ships-at- EPA-dot-gov.
28 If nothing else, that's the way you can get to us with those comments,
29 thoughts, recommendations, data, please. And thanks for your kind
30 attention, and I appreciate you all being here. We're done.

31 (WHEREUPON, the Meeting was adjourned and then reconvened.)

32 **MR. VOGT:** Excuse me. Hello. How about
33 having a seat and we'll reconvene. I know you're interested. We'll get
34 the drum roll going in a moment. Pam Chueh will be speaking to us,
35 leading us in a little more entertainment for the afternoon. Introduce
36 yourself, please. Thank you.

37 **MS. CHUEH:** Thank you, Craig. I don't have
38 an opening joke. Sorry to interrupt your break this afternoon, but I truly
39 do appreciate you letting me reconvene because this means the difference
40 between me getting back to Sacramento tonight at 2:00 in the morning or

1 10:00 o'clock at night. So, I do truly appreciate it.

2 My name is Pam Chueh, and I'm here representing California
3 assembly member George Nakano of the 53rd Assembly District. The
4 53rd Assembly District represents a significant portion of the coastline
5 of Los Angeles County, stretching from the northern end of the Palos
6 Verdes Peninsula, just a little bit north of here, through the coastal
7 cities of Torrance, Redondo Beach, Manhattan Beach, Hermosa Beach, El
8 Segundo, and portions of Los Angeles.

9 I would first like to thank the U.S. EPA for hosting this
10 public hearing today in Los Angeles, as well as the responsiveness
11 they've shown to the issue of cruise ship discharge. This is most
12 certainly an important issue of importance to the state of California, and
13 I'm here to convey that.

14 Earlier this year we introduced legislation to more closely
15 examine the existing environmental practices in waste streams of cruise
16 ships out of concern of the following: the series of pollution incidents
17 that have taken place, the large volumes of waste generated by cruise
18 ships and discharged into the ocean, and the inadequate oversight and
19 regulation of cruise ship waste management. This, coupled with
20 explosive growth of the cruise industry in California, made it timely for
21 the California legislature to take up this issue.

22 Under Assembly Bill 2746, CAL EPA would convene the
23 cruise ship environmental task force, consisting of relevant state agencies
24 which currently oversee cruise ship waste streams, including the State
25 Water Resources Board, the Department of Fish and game, Department of
26 Toxic Substances Control, Integrated Waste Management Board, the State
27 Lands Commission, and the Air Resources Board. The U.S. Coast Guard
28 shall also be invited to participate as a member of the task force.

29 The task force will gather information necessary to evaluate
30 the environmental practices and waste streams of the cruise ship,
31 allowing for both public and industry input in the process. CAL EPA,
32 with information gathered by the task force, will prepare and submit a
33 report to the legislature in 2003. The report will include a review of
34 existing environmental practices, review and analysis of waste release
35 off-loaded from vessels in California, identification of inadequacies in
36 current reporting requirements, an evaluation of the potential impacts of
37 waste, our water quality, marine environment, air quality, human health,
38 and recommendations for appropriate actions to be taken by the Coast
39 Guard and state agencies.

40 AB 2746 has passed out of both houses of the legislature,

1 with broad support from both environmental community and the cruise
2 industry, and is now before the governor for consideration.

3 With the cruise industry growing at a rate of 67 percent in
4 California, in light of the most recent case of illegal dumping into the
5 port of San Francisco by Royal Caribbean Cruise lines, the California
6 legislature welcomes and applauds the EPA's efforts in examining the
7 various issues raised here today, and looks forward to working with the
8 various stakeholders in these efforts. Thank you. Told you it wouldn't
9 take long.

10 **MR. VOGT:** Any questions from the panel?
11 You have to come up and use the mic.

12 **MR. CARLSON:** Two questions. Dorn Carlson,
13 two questions. The time frame for the study and the report, and does
14 the report or the task force make any recommendations, or will they
15 make any recommendations for EPA action?

16 **MS. CHUEH:** If the bill is signed into law by
17 the governor, it would be enacted January 1st of 2001, at which time
18 CAL EPA would convene the various members of the task force. They
19 will take probably 2001 and 2002 to gather the information necessary,
20 that includes requesting the information they consider to be pertinent
21 from the cruise ships. And the cruise ships have agreed to submit such
22 documents. Probably, I would think, in 2003 is when they would start
23 preparing the report, and in June 2003 is when it's due out.

24 As the bill is currently written, the report is supposed to
25 include recommendations for actions as I outlined. It's not specifically
26 referencing actions for U.S. EPA, but it does say actions for a Coast
27 Guard and other agencies. So, certainly.

28 Any other questions?

29 **MR. WALSH:** Ma'am, the allegation you made
30 about Royal Caribbean dumping in San Francisco, was there any testing
31 done of the substance that supposedly or allegedly was dumped?

32 **MS. CHUEH:** I'm not aware of that. I think
33 probably someone else in the audience, maybe Kira from the Bluewater
34 Network, might be able to respond to that.

35 **MS. SCHMIDT:** Unfortunately, the passengers
36 who witnessed the dumping weren't aware of how to go about reporting
37 it. I guess that wasn't adequately publicized on the ship. That's
38 definitely one of the things we're looking at in figuring out what to do
39 about it. So they didn't report it, and therefore didn't get any samples at
40 the time.

1 **MR. WALSH:** So the allegation at this time is
2 strictly speculation on two passengers having seen something leave the
3 ship? That's what this allegation that you're making as a member of
4 George Nakano's staff in this public hearing, that Royal Caribbean did
5 this based on two witnesses of technical ability from 70 feet away from
6 where this discharge took place?

7 **MS. CHUEH:** Well, my understanding is that
8 the U.S. EPA and the Department of Justice have launched a Criminal
9 investigation into this. And if that was good enough for them, that was
10 good enough for us to site the case.

11 **MR. WALSH:** So we have an investigation
12 ongoing?

13 **MS. CHUEH:** That's my understanding.

14 **MR. WHIPPLE:** This is Frank Whipple with
15 the Coast Guard. The investigation is being led by the Coast Guard with
16 the Department of Justice assistance. It was determined, since it was a
17 water discharge from a ship, that it was best the Coast Guard lead the
18 investigation. So it is currently under investigation in San Francisco.

19 **MS. CHUEH:** Thank you. Any other
20 questions?

21 **QUESTION:** I have a question for Captain
22 Whipple. When do you expect the results of that investigation?

23 **MR. WHIPPLE:** I'll apologize in the beginning
24 because I don't have a date for that. It will depend on when the final
25 witness statements are taken. They have interviewed witnesses, other
26 passengers off the ship, so it is ongoing. It's anyone's guess right now
27 as to how long that will take. But they typically take a month or two
28 anyway. And this just started. It came to light here, I don't know, it
29 may be a month ago when this actually -- three months ago? Three
30 weeks ago. So again it's very new information. The investigation was
31 -- there's been a number of meetings between the EPA, Coast Guard,
32 DOJ, FBI investigators. I know they've had a number of meetings,
33 they've already interviewed some witnesses, and -- again probably in a
34 month or two.

35 **MS. CHUEH:** Thank you very much.

36 **MR. VOGT:** I have one question, like, very
37 simple. Do you think the governor is going to sign it?

38 **MS. CHUEH:** We're very hopeful. I'm not
39 going to try to second-guess the governor.

40 **MR. VOGT:** Okay. Thank you very much. We

1 conclude once more.
2 (**WHEREUPON**, the Meeting was concluded at
3 3:20 p.m.)
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13 **CAPTION**
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15 The Meeting in the matter, on the date, and at the time and place set out
16 on the title page hereof.
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18 It was requested that the Meeting be taken by the reporter and that same
19 be reduced to typewritten form.
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EPA PUBLIC MEETING
OCEAN DISCHARGE CRITERIA
September 6, 2000
6:10 p.m.

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6 **MR. MCCARBERRY:** Good evening. My name
7 is Dennis McCarbery. I'm a legislative representative for the Port of
8 Los Angeles, and I'd like to say welcome to
9 this EPA hearing. The Port of Los Angeles, as you know, is home to
10 the humbly named World Cruise Center over here, and we are the largest
11 cruise operator center on the West Coast, so obviously this is the right
12 place to have this hearing for this area. I'd like to welcome all of you
13 to the port of Los Angeles. If you get a chance, take a look at our
14 facilities, they're some of the best in the world for a port. We'd like to
15 welcome the EPA and thank you for your interest in this subject, we all
16 want to have a cleaner environment. So welcome to the Port of Los
17 Angeles. Thank you.

18 **MR. VOGT:** And thank you, Dennis, for
19 providing these facilities for us.

20 Hi, my name is Craig Vogt. A number of you were in the
21 meeting this afternoon, several of you were not. I think we had a very
22 good discussion this afternoon and received a number of good
23 presentations and suggestions, and even a little, I wouldn't call it debate,
24 but discussion, anyway. This evening we have no one signed up to make
25 a statement; however, you're welcome to add or clarify earlier
26 statements. I will give my overhead presentation briefly, I will ask that
27 Ted Thompson from ICCL, the International Council of Cruise Lines, I'll
28 ask him to summarize his statement from earlier today, just for your
29 information, as well as Kira Schmidt from the Bluewater Network, to
30 summarize her statement so that you can understand some of the
31 positions that were expressed earlier today.

32 My name is Craig Vogt. I am with EPA, Washington DC
33 headquarters. I am the deputy director of the oceans and coastal
34 protection division. I've been with EPA for a long time, since 1971, so
35 I've experienced a number of different operations and hearings and
36 regulatory actions, and non-regulatory actions as well. I would like to
37 have the panel introduce themselves, and then I would like the audience
38 to tell us who you are, as well.

39 **MR. OTA:** I'm Allen Ota with the Ocean
40 Dumping Program in the Region 9 office located in San Francisco, with

1 the Environment Protection Agency.

2 **MR. CARLSON:** I'm Dorn Carlson, also with
3 the Environmental Protection Agency. I'm out of headquarters in
4 Washington DC. I work for Craig Vogt. I work on cruise ships as well
5 as uniform national discharge standards for Armed Forces vessels.

6 **MR. CHARLTON:** I'm Tom Charlton. I'm with
7 EPA. I'm in the office of wastewater management, which works with the
8 NPDES program.

9 **CAPTAIN BASEL:** Captain Brian Basel, chief
10 of the Office of Compliance for Marine Safety and Environmental
11 Protection, Coast Guard headquarters in Washington DC.
12 (**WHEREUPON**, the audience introduces themselves.)

13 **MR. VOGT:** Well, we will be informal. If you
14 have questions, comments, thoughts, you may interrupt me. But I do
15 request that you go to the microphone and say who you are and who
16 you're with for our hearing reporter. Since we are recording this,
17 definitely it is helpful for us.

18 This is the first in a series of meetings, this is part two of
19 today. We're going to Juneau and Miami this week and next week to try
20 to collect information. We are in the information collection stage on
21 cruise ship wastewater discharge, waste management policies and
22 procedures, what they are, how they've worked.

23 We are facing a number of threats. Our oceans are under
24 some stress from a number of threats. This is a list of some of those
25 threats, it's certainly not meant to be comprehensive in its nature. There
26 are point sources, non-point source discharges, we're aware of these.
27 Marine debris, we heard about that from one of the speakers today, such
28 things as storm water runoff, coastal development, increasing numbers
29 and introductions of non-native species. This is, I think, a real serious
30 problem that we need to address, and we are addressing. There is no
31 simple answer there. It's a very tough one to get our hands around.
32 Damage caused by commercial and recreational use, some think that the
33 cruise ships would contribute to that potential concern.

34 In terms of what's happening to our coastal waters today,
35 here's a partial list of some trends that we've seen. Harmful algal
36 blooms are on the rise -- red tides, green tides, brown tides -- some of
37 these have human health implications, beach closures as a result.

38 Hypoxia, that means a lack of oxygen in the water. Dead
39 zone in the gulf of Mexico, some sunks. Every summer about 7,000
40 square miles, coming from as a result of a number of factors, primarily

1 the discharges into the Mississippi River coming into the Gulf of
2 Mexico. Too much fertilizer, too many organics, the right conditions
3 cause algal blooms, they die, takes oxygen from the water, takes life
4 from the water. No simple, easily solved solutions are apparent.

5 Beaches. We have a trend in beaches. Many more beaches
6 have been closed as of late. Now, is that because the water quality is
7 going down or the reporting and monitoring is better? We're not sure,
8 but we do see a many number of beaches are closed.

9 Coral reefs, of course. We have a separate coral reef task
10 force within the U.S. government, set up by Executive Order, to study
11 coral reefs, impacts on coral reefs, and there are serious problems there.
12 And fish advisories are in many locations along our coast.

13 Now, the question that would be in my mind if I was in the
14 audience is, what's that got to do with cruise ships? Maybe nothing.
15 But cruise vessels are floating cities and they have a number of
16 discharges, and they're something -- you can have up to 4 or 5,000
17 people on a cruise ship. These discharges are well known as discharges,
18 the characteristics are not so well known.

19 The bilge water I think we know more about than some
20 would say the gray water. And sewage sounds like something we ought
21 to know about, but actually we're finding very little is available.
22 Incinerator ash, solid wastes and hazardous materials, as well as air
23 emissions.

24 Now, this is a public information hearing. We are collecting
25 information to develop a response to a petition that EPA has received
26 from the Bluewater Network. And the petition asks us to assess cruise
27 ship waste streams and the potential for the volume of all the waste --
28 not only volume but the characteristics, quality, quantity, what's coming
29 off of the cruise ships, what do we have in the way of existing
30 regulations, policies, procedures; how are we doing in terms of managing
31 those wastes and protecting the environment.

32 The petition also asks us to review the potential
33 environmental impacts and assess environmental impacts of cruise ship
34 discharges. The petition asks for looking at certain options for
35 monitoring and record keeping and reporting. I mentioned this afternoon
36 that this is, I think, one petition that the agency has received that took a
37 measured approach to requesting the agency to take action. And
38 essentially it asks us to collect information, evaluate that information,
39 make recommendation with a view toward regulating cruise ship
40 discharges. And one of the considerations is repealing the existing

1 NPDES permit system exclusion from the permit system. It also asks us
2 to consider regulating gray water, as well as the concerns about
3 hazardous materials: what hazardous materials are generated on board
4 ships? How are they handled? How are they monitored? Cradle to
5 grave consideration.

6 Other actions that EPA has ongoing that are related to this
7 activity, we did receive a petition to regulate ballast water under the
8 NPDES permit program. We received that in January of '99, we are very
9 late in our response. The response was originally targeted for a year
10 ago, and we hopefully will have that out this fall, possibly at the same
11 time our draft assessment comes out on the Bluewater petition.

12 In addition to that, we are working on, with the Navy --
13 there was an amendment to Section 312 of the Clean Water Act requiring
14 EPA and the Navy to assess discharge standards for vessels of the Armed
15 Forces. And the first was to identify what discharges are potentially
16 harmful to the environment, and then to assess the treatment technologies
17 and available technologies that could reduce the pollutants and then set
18 standards. And we've identified which discharges need to be looked at.
19 We are, I said, three or four years away, or is it two or three years away
20 from completion? Two or three at this point. Trust me.

21 Then, another area that we're involved in, the Executive
22 Order came out in June of this year on marine protected areas, and EPA
23 is charged with revising our ocean discharge criteria for wastewater
24 discharges through pipes into marine waters. That also requires us to
25 take a look to setting -- take a look, but set specific sites in the ocean
26 that would require special protection. We call it special ocean sites.
27 And it would be for any discharges to the ocean in those areas,
28 additional requirements would be required. And that is not for cruise
29 vessels. That is for discharges from, say, floating fish factories or from
30 municipal sewage treatment plants or industries that are discharging into
31 ocean waters.

32 Now, a few words about our existing regulations, and this is
33 EPA's standards primarily that I'll talk about. Under Section 312 of the
34 Clean Water Act, EPA has set regulations. We have set standards for
35 marine sanitation devices that are required to be on vessels. If they
36 have an installed potty, you're required to have a marine sanitation
37 device. And it's a treatment device or it's a holding tank. There's three
38 types, types one, two and three. And I'll mention that types one and two
39 are essentially grinders and chlorinators and discharge. Well, actually
40 type two is a little bit more than that, I think. But they're tougher

1 standards for type two. And type three is a holding tank. Now, EPA
2 sets the standards for MSDs, we did this about 20 years ago. And one
3 of the options we'll talk about briefly is, do those need to be taken
4 another look at and revised?

5 The Coast Guard has major responsibilities for marine
6 sanitation devices in terms of setting the rules for design and
7 construction/installation and operation, certification and inspection. So
8 they are really the major players here in terms of marine sanitation
9 devices, in terms of if they are installed and working.

10 EPA Standards for marine sanitation devices, type one is a
11 thousand colonies per fecal coliform for 100 MLs, and then no floating
12 solids, no floating visible solids. Type two is a little tougher standard,
13 it's 200 fecal colonies per 100 MLs, and then a standard of 150
14 milligrams per liter. And type three is the holding tank.

15 Now, one of the options that is available to states are to set
16 no discharge zones for sewage. But there are some, I guess -- I don't
17 know if you'd call it stringent criteria. I'm not sure how well it works
18 for cruise ships, but it's just something we need to keep in mind. States
19 can apply to EPA to set a no discharge zone, and the criteria include a
20 couple that are pretty important. One is some ecologically important
21 reason to protect that waterway, and the other is that there has to be
22 adequate pump-out facilities for the sewage from the vessels. The key
23 points here on this slide are that Section 312 applies only out to three
24 miles and enforcement is primarily by the Coast Guard.

25 In terms of discharges from vessels, I mentioned the sewage
26 is controlled through Section 312. Gray water and other discharges
27 incidental to the operation of a vessel are excluded from the normal
28 NPDES permit program. And that was done back in 1973 when we were
29 faced with difficult choices in setting regulations for primarily point
30 sources such as municipal plants, as well as industrial facilities. It was
31 thought at the time that cruise ships did not present a serious matter,
32 and we needed to focus our resources upon point sources, as well as
33 non-point sources.

34 Other key statutes, and I won't go through these, that deal
35 with some aspect of cruise ship discharges, wastewater. The RCRA,
36 Resource Conservation and Recovery Act, deals with solid waste and
37 hazardous materials. The Marine Protection, Research and Sanctuaries
38 Act is the Ocean Dumping Act. So if you transport anything out to sea
39 and dump it, or transport it for the purpose of dumping, it's controlled
40 under that act. The Shore Protection Act sets up a permit program,

1 works with the Coast Guard for vessels that are transporting waste.
2 Waste haulers. And then, the act to prevent pollution from ships has a
3 number of different aspects to it, including oil and noxious substances,
4 garbage and plastics. And that is the Coast Guard's primary
5 authorization.

6 Now, EPA is well known as a regulatory agency, and we
7 have done -- the words used this afternoon were many command and
8 control type programs, and they have served us well over many years.
9 I'd say over the last 10 years, however, we have moved more into some
10 non-regulatory programs, which have shown some very good progress.
11 This is a list of a number of those, and I won't go through each one.
12 But essentially, trying to look at a facility, a type of facility and the
13 regulations that are required. And each one of these facilities, be it a
14 port authority or be it a municipality, is an individual case. When we
15 write national regulations and states adopt those, some of those
16 characteristics are not well dealt with.

17 Some of these non-regulatory programs look to see what the
18 common sense approach would be to solve some of those environmental
19 threats. For example, green ports is an activity that we have working
20 with the American Association of Port Authorities. We've provided a
21 grant to AAPA, and they developed an environmental handbook which
22 documents the environmental concerns within a port and identifies the
23 types of actions that has successfully dealt with those environmental
24 problems, such as storm waters, such as bulk cargo storage outside
25 instead of on the roof, and the like.

26 Golf and the environment is one that my wetlands office has
27 dealt with. And that is, if you develop golf courses, do it in an
28 environmental friendly manner. And it's a voluntary partnership between
29 the federal government and the golf industry.

30 I guess this may be obvious, but here's some options that
31 we're considering in looking to the cruise ship industry. And we are
32 non-committal on any of these. We do not have our minds made up.
33 We are gathering the information. We certainly have regulatory options
34 in front of us in terms of looking at the NPDES permit program, and
35 that would mean repealing the exclusion, exemption of incidental
36 discharges somehow. That, of course, might impact other vessels as well
37 as cruise ships. Revision of the Clean Water Act 312 regulations, that's
38 a good possibility, I'd say, because they're 20 years old. Maybe we've
39 learned something since then, and maybe we'll hear something more
40 during these meetings.

1 ISM, International Safety Management code, environmental
2 management systems, would look towards more partnerships, voluntary.
3 And they're not necessarily all voluntary, as I think Ted will try to
4 explain to us in your statement.

5 Next steps, we are, as I said, gathering the information, and
6 we will do an assessment. We've said to the Bluewater Network we
7 would provide a report back to them maybe by the end of the month. I
8 think we're going to be late. I'm not exactly sure what deadline I set for
9 ourselves, but we're going to miss it, whatever it is. Sorry. But we
10 definitely plan on getting something out in October, and it will be an
11 assessment of what information we have at that point in time. We will
12 provide that to stakeholders, review that, and then work with Coast
13 Guard in formulating recommendations, where should we be going, go
14 public with a public dialogue -- and you can read the rest.

15 So that is all I will say at this point. If you have any
16 questions, I'm open to questions. And if not, I'll ask -- Ted, could you
17 summarize your remarks of this afternoon?

18 **MR. THOMPSON:** Sure. Go back up there?

19 **MR. VOGT:** Yes, you certainly may.

20 **MR. THOMPSON:** Once again I'd like to, on
21 behalf of all the members of the International Council of Cruise Lines,
22 thank the EPA for holding this hearing and other hearings. At least I
23 think we're thanking you for it. It's going to be a whirlwind trip of the
24 country.

25 My name is Ted Thompson. I'm the executive vice president
26 of the International Council of Cruise Lines; it's an Arlington based
27 industry trade association. We represent 16 cruise operators that carry
28 approximately 85 percent of the passengers in the North American
29 market. Several of our members are dominant companies in the Alaskan
30 trade, three of them have ships operating out of California, several more
31 ships from other companies call at California ports when they're
32 repositioning from Alaska to the Caribbean, and vice versa, or traveling
33 around the world. Our members operate vessels that call at over 300
34 ports around the globe, which makes us truly an international industry.

35 Our ICCL vessels are not U.S. flagged, they are not
36 necessarily foreign flagged. If you go to a different country, the United
37 States flag is a foreign flag. We are non-U.S. flag. We flag with major
38 countries such as the United Kingdom, Norway, Italy, the Netherlands,
39 and we also flag with some off-shore registries.

40 Even though we do not fly the U.S. flag, our vessels, while

1 operating in U.S. waters, must comply with all U.S. environmental laws,
2 just as we must comply with the environmental laws of whatever country
3 in whose waters we're operating.

4 Additionally, all of our members must meet the international
5 regulations for both environmental protection and for safety of life at sea
6 at all times. These protocol set the benchmark for environmental safety
7 standards and safety standards throughout the world. In fact, these
8 international conventions, such as SOLAS, MARPOL and STCW, the
9 United States has adopted into the fabric of the U.S. maritime regulatory
10 system.

11 Because we are a company that is dependent on carrying
12 passengers to beautiful locations where we want them to experience
13 nature's bounty, we have been active in issuing industry guidelines that
14 our members have all agreed to. The framework for these guidelines is
15 to fully comply with applicable laws and regulations, maintain
16 cooperative relationships with the regulatory community, such as we're
17 doing now, design chips to be environmental friendly -- and I will go
18 into that a little more later -- to embrace new technology, conserve
19 resources through purchasing strategies and product management;
20 minimize waste generated and maximize reuse and recycling; optimize
21 energy efficiency through conservation and management; manage
22 wastewater discharges; educate staff, guest and community.

23 In keeping with designing ships to be environmental friendly
24 and embracing new technology, and along the lines of what we're talking
25 about here this evening, you should know that four of our ICCL members
26 have committed approximately a million dollars apiece to field testing
27 gray water treatment systems. And when these test systems are fully
28 developed and proven, they're expected to remove sediment and
29 impurities from gray water streams to the point that the output is
30 essentially clean water that can be reused on board for technical reasons,
31 or discharged overboard.

32 Other things that our companies are looking into to make the
33 ships more environmentally friendly and embrace new technologies is,
34 plasma incineration that would be more efficient and effective; printing,
35 copying and photo systems that do not use hazardous materials or have a
36 hazardous waste as their byproduct.

37 In response to a question of what impact gray water and
38 treated black water discharges have on the environment, ICCL contracted
39 a study with M. Rosenblatt and Son to evaluate the dispersion of
40 wastewater and any suspended solids and entrained substances into the

1 sea that are being discharged from cruise ships. We found from these
2 calculations that the dilution factors, depending on the speed of the ship
3 and the assumptions made, will run anywhere from 44,000 to 111,000,
4 just based on a simple dispersion analysis. If you take into account
5 wake effect, tidal and current actions, we believe that these components
6 will be diluted by another factor of 1,000 to possibly even 100,000. So
7 within the confines of the available data and assumptions made, we
8 believe that it provides a strong indication that the concentrations of
9 diluted constituents will be well below specified water quality criteria.

10 Last December Senator "Mc Kowski" introduced some
11 legislation that would assure the American public that the cruise industry
12 is indeed operating its vessels in the manner in which the industry has
13 stated. We support this legislation, and, in fact, that legislation
14 essentially would require us to do what we're already doing on a
15 voluntary basis. And in line with assuring the American public that
16 we're doing what we say we're doing, these guidelines that we have
17 adopted are incorporated into our mandatory ship safety management
18 system, SMS, that's required by the International Safety Management
19 code. By so incorporating it, our guidelines in these systems, that
20 means that they're subject to internal audit, they're subject to external
21 audit, and they're subject to oversight inspections by any port state
22 entity of the ports that we go to. And particularly, the United States
23 Coast Guard here in the United States has the authority to oversight the
24 ISM code, the safety management system on board our ships. And
25 Captain Basel may want to address that or answer any questions if you
26 have any.

27 So we appreciate and welcome the opportunity to publicly
28 demonstrate that we're adhering to these practices, and the industry is
29 responsible and cares about the environment. In fact, we don't know of
30 any other segment of the maritime industry that is willing and able to
31 meet these types of standards, quite frankly.

32 Alaska has a cruise ship initiative that many of you know
33 about. The goal is to thoroughly review the cruise industry's waste
34 management disposal practices, and to publicly discuss what is currently
35 being done and what should be done to improve the situation. The
36 cruise industry, through our sister association, the North West Cruise
37 Ship Association, with our support, has embraced the opportunity to
38 participate in this forum.

39 Let me digress here for a minute. And not only from
40 Alaska, but with the federal government, what we're looking at is, having

1 done this waste dispersion analysis, the ICCL membership is going to be
2 and will be participating with the Coast Guard and the EPA in a water
3 sampling project, whereby samples will be taken of the ocean before a
4 cruise ship goes by, after it goes by, comparative analysis. Samples will
5 be taken on board the ships as they are discharging, as they go by the
6 area where we're sampling, so we'll know what was being discharged at
7 what rate, etcetera.

8 So why do we mention all these projects here at a public
9 meeting? The reason being is, because it's important to realize that the
10 issues of the individual states that they've been dealing with, and we've
11 been dealing with directly, relate to this EPA international program.
12 And we feel it's important to have national, if not global, regulations
13 that we can implement at whatever port we're calling and whatever state,
14 or indeed, whatever country or port around the world. When we adopt
15 our policies and train them into the safety management system aboard
16 the ships, that means those policies apply worldwide, not just in the
17 United States.

18 The information developed by the State of Alaska in the
19 cruise ship initiative will provide vital information on waste stream
20 volumes and components. In fact, this afternoon we were discussing that
21 this was really original research up in Alaska as to how much of the
22 liquid waste streams is being produced on board a cruise ship each day
23 or each week, and what is the fate of those waste streams. In fact, the
24 laboratory testing program up there has already provided significant and
25 unexpected results. These test results indicate significant concentrations
26 of bacteria in the wastewater, not only on the large cruise ships that
27 ICCL operates, but also on the smaller cruise ship vessels of the U.S.
28 flagged fleet. And these issues of the marine sanitation devices and
29 whether or not they actually are operating as the manufacturers claim
30 they are, are being proactively addressed by both fleets. But this
31 indicates to us that possibly this is an issue for the entire marine
32 industry and not just the cruise ships. But in conclusion, I'd say that
33 the International Council of Cruise Lines, together with its sister
34 associations, the NWCA, which I mentioned earlier, the Florida
35 Caribbean Cruise Association, cruise vessel operators of each, are
36 dedicated to responsible environmental management and protection of our
37 natural resources. That's why we are meeting here, that's why we are
38 meeting with the Florida regulators, the Alaska regulators. We are all
39 interested in finding productive solutions to very real issues that
40 confront us on a daily basis.

1 That's it. That's a summary.

2 **MR. VOGT:** That's good.

3 **MR. THOMPSON:** Questions?

4 **MR. VOGT:** All right. Thank you.

5 Kira, do you want to come here?

6 **MS. SCHMIDT:** Hi, my name is Kira Schmidt,
7 and I'm a campaign director with the Bluewater Network. We're a
8 national environmental organization based in San Francisco. We protect
9 public waters, lands and ecosystems, and fight damage caused by
10 motorized recreation, oil and shipping industry practices, and other types
11 of marine pollution.

12 Bluewater launched its cruise ship campaign late last year in
13 response to the media attention and the public concern regarding the
14 Royal Caribbean case that was settled last year.

15 Some of the major concerns that Bluewater has regarding
16 cruise ships are the series of pollution incidents by cruise ships, the
17 severity and intentionality of some of these incidents, the large volumes
18 of waste that cruise ships generate on and discharge into the seas, the
19 rapid growth in the number and size of cruise ships, and inadequate
20 oversight and regulation of cruise ship waste management; and therefore,
21 inadequate enforcement and deterrence of pollution by cruise ships. In
22 an effort to respond to these concerns, Bluewater authored a petition to
23 the Environmental Protection Agency, urging them to identify and take
24 regulatory action on measures to address pollution by cruise ships.

25 Bluewater and 53 other environmental organizations
26 submitted the petition to EPA on March 17th of this year. It highlights
27 loopholes and gaps in federal regulations for various cruise ship waste
28 streams, and makes a number of recommendations for EPA action, which
29 Craig described to us earlier, and which I won't repeat.

30 The cruise ship waste streams that we address in our petition
31 are sewage, gray water, hazardous waste, solid waste, oily bilge water,
32 and now air emissions. And we have a number of specific
33 recommendations for each of those waste streams, which I also won't go
34 into detail about.

35 As Craig explained, there are options for regulations that
36 might emerge from the EPA assessment that they're currently
37 undertaking. And those include changes to federal regulations and/or
38 how they're implemented, government/private sector partnerships, or
39 some combination of the two. We heard just a little while ago about
40 some of the government cruise industry partnerships that are currently

1 under way and that are voluntary.

2 The Memorandum of Understanding between the Florida
3 Department of Environmental Protection and the cruise industry which
4 was signed in March of this year, that was the result of dialogue over
5 how to address the pattern of violations of hazardous waste management
6 regulations by cruise ships in the state of Florida. And the Alaska
7 cruise ship initiative, which was launched by the Alaska Department of
8 Environmental Conservation also due to concerns regarding illegal
9 discharges from cruise ships and their growing presence in Alaskan
10 waters.

11 A couple comments about these in general. In the case of
12 Florida, there was zero public input or involvement in the negotiation of
13 the Memorandum of Understanding. And neither of these initiatives, the
14 voluntary initiatives, have any means of enforcement; and since they've
15 been entered into, violations and other problems have persisted. The
16 hazardous waste management regulations are still not clarified in the
17 state of Florida with regard to cruise ship hazardous waste management.
18 And in Alaska, as we just heard, the results of initial rounds of sampling
19 of gray water and sewage has shown extremely high levels of bacteria,
20 which is obviously an issue of concern.

21 We also heard a little bit about other voluntary programs
22 that cruise companies employ to certify compliance with environmental
23 laws, including classification society, certification, and internal and
24 external audits. And there are existing regulatory frameworks overseen
25 by relevant agencies in flag states, and the Coast Guard's control
26 verification/examination program. And I guess I'll just mention here that
27 the Royal Caribbean ships that were found guilty of routinely and
28 knowingly discharging oil and hazardous waste had ISO certification and
29 had been certified by their class societies and flag states, but none of
30 these mechanisms detected the violations in advance, nor took action
31 after the federal/criminal investigation brought them to light. And with
32 regard to the Coast Guard inspection program, I refer you to a report
33 issued by the General Accounting Office earlier this year which
34 highlights several shortcomings with the Coast Guard's program and with
35 their ability to detect or resolve marine pollution violations.

36 So in summary, voluntary efforts by the cruise industry to
37 improve its environmental performance and to engage in dialogue with
38 regulators are commendable, and we certainly recognize that, and we
39 think they are steps in the right direction. However, as the voluntary
40 initiatives in Alaska and Florida unfold, they are proving unsatisfactory,

1 as problems and violations of various regulations by cruise ships
2 continue, they lack mechanisms for oversight and enforcement, and thus
3 deterrence, and, as I mentioned, in Florida, for any manner of public
4 involvement.

5 Neither the existing Coast Guard flag state regulatory
6 regime, nor voluntary programs such as those described, are adequate to
7 abate pollution from cruise ships. The supporting evidence is mounting
8 in the GAO report that I just mentioned, in the ongoing violations, and
9 in the results of monitoring and sampling in Alaska that is currently
10 going on.

11 These programs must be complemented by new and improved
12 regulatory measures that empower environmental agencies to monitor and
13 enforce standards and provide industry with disincentives to pollute.

14 We believe that the Environmental Protection Agency,
15 because its sole mission is to protect human health and to safeguard our
16 environment, has a crucial role to play, along with concerned citizens, in
17 helping to ensure that cruise industry activities do not negatively impact
18 the environment and human health. Thank you.

19 **MR. WALSH:** You mention ongoing violations,
20 could you give me what those violations are?

21 **MS. SCHMIDT:** Yeah. In the case of Florida,
22 I guess the issue which is trying to be resolved is, I guess two things.
23 The status of generator, whether a ship or a company is a conditionally
24 exempt small quantity generator or a large quantity generator. That
25 issue apparently is still unresolved and --

26 **MR. WALSH:** And your information is from
27 the DEP?

28 **MS. SCHMIDT:** Yes.

29 **MR. WALSH:** Well, the DEP, last week, stated
30 unequivocally, to both the Coast Guard and the Region 4 EPA, that
31 they've agreed that it's the ship.

32 **MS. SCHMIDT:** It's the ship?

33 **MR. WALSH:** Right.

34 **MS. SCHMIDT:** Okay. So does that make it a
35 conditionally exempt small quantity generator?

36 **MR. WALSH:** No, no, no. Just that if a
37 number is to be assigned, it's to be assigned to the ship, but that all
38 EPA regulations would then stem from that. So if you're less than 220
39 pounds, you're conditionally exempt. If you're more, then you're a small
40 quantity. And if you're larger, then you go to the large quantity

1 generator. But I'm talking about the violations that you're alluding to.

2 **MS. SCHMIDT:** Right. I was forwarded some
3 manifests which claimed that the, I guess, ship was a conditionally
4 exempt, small quantity generator, when, in fact, the amount's listed right
5 there on the manifests were indicating that it was a large quantity
6 generator.

7 **MR. WALSH:** So you were forwarded
8 manifests, uniform hazardous waste manifests?

9 **MS. SCHMIDT:** I believe that's what they
10 were, yeah.

11 **MR. WALSH:** And you were forwarded them
12 on an ongoing investigation?

13 **MS. SCHMIDT:** Excuse me?

14 **MR. WALSH:** You were forwarded manifests
15 pertaining to an ongoing investigation?

16 **MS. SCHMIDT:** No.

17 **MR. WALSH:** But you made the allegation that
18 these are continuing violations?

19 **MS. SCHMIDT:** I don't know the status of
20 them at this point.

21 **MR. WALSH:** Could you tell me who
22 forwarded those to you?

23 **MS. SCHMIDT:** I don't think I can do that,
24 no?

25 **MR. WALSH:** Thank you.

26 **QUESTION:** I would like to make just a couple
27 of comments. I'm not going to ask a question. It was indicated that the
28 internal and external audits were a voluntary nature, that is not true.
29 The audits are required by the international safety management code,
30 which became mandatory on July the 1st, 1998. The violations that were
31 noted, particularly with note to Royal Caribbean, occurred prior to that.
32 To my knowledge, there are no ongoing violations of that nature after
33 the international safety management code came into effect. And there
34 was a statement made that there was no enforcement mechanisms, but we
35 certainly seem to have a lot of, at least alleged violations. And to me,
36 no enforcement means no violations.

37 So those two statements seem to be a little bit opposed. I
38 mean there's either enforcement and there's violations, or there's no
39 enforcement and there's no violations. That's the only comment I have.

40 **MS. SCHMIDT:** Just to respond to that, the

1 enforcement mechanisms are within existing regulations which were
2 being violated. The actual voluntary agreements, the MOU and the
3 Alaska Cruise Ship Initiative, have no enforcement mechanisms of their
4 own.

5 **MR. WALSH:** Again another question on some
6 follow-up.

7 As far as violation of law, what exactly was the violation of
8 law?

9 **MS. SCHMIDT:** I'll have to look.

10 **MR. WALSH:** Well, I believe you stated just a
11 second ago that it was a misrepresentation on the status of generator.

12 **MS. SCHMIDT:** That was my understanding.

13 **MR. WALSH:** So was it claiming small
14 quantity?

15 **MS. SCHMIDT:** Conditional exempt.

16 **MR. WALSH:** Conditional exempt. But it had
17 a number?

18 **MS. SCHMIDT:** I couldn't tell you.

19 **MR. VOGT:** Okay. Thank you. Any
20 additional questions or comments? Panel?

21 **CAPTAIN BASEL:** Actually, if I could I'd like
22 to make a comment. Not so much as a member of the panel, but
23 obviously as a person who has the control verification program and who
24 had the GAO report, who actually received the GAO report on behalf of
25 the Coast Guard. And, as with other programs, the Coast Guard is a
26 federal agency. We have our own external auditors, and we do welcome
27 those auditors, that is a GAO.

28 Obviously, with any audit sometimes there are shortcomings
29 in a program which are pointed out. And in this case, we took that
30 GAO report and obviously we'll be rolling into making some changes
31 into the programs. But one of the things that I -- we didn't take that
32 report as a damning type of program, we took it as to say exactly -- and
33 I forget the exact words in there. Basically it said the Coast Guard
34 should work a little closer with industry and start looking ahead into the
35 gray and the black water discharge area. And that's what we are doing
36 here today, as well as with some other programs that we're working on.

37 It also made some comments about doing an addition of
38 overflights on the coast to take a look at some of the discharges of ships
39 based on some of the publicized incidents. And again we are doing that.
40 That's an easy fix for us.

1 A couple of other things in there that may not be apparent to
2 most people, it talked about the lack of action taken on behalf of some
3 of the flag states, and that many of the cases are not being forwarded.
4 As we got into that, some of the reasons for that, it was actually a very
5 simple reason: that we had issued a directive in 1992 that said,
6 essentially, that our own fine, civil penalties, and other programs, have
7 become extremely more effective than they have in the past, and that
8 these are deemed to be adequate in some cases. So this is something
9 that the GAO, for whatever reason, did not get into during that. And
10 we're addressing those comments with the GAO.

11 Just to touch base a little bit on the CVE program, our
12 control verification program, it is a very, and I'll say robust program.
13 We go on the ships every quarter, spend quite a bit of time.

14 Obviously, our focus is on safety, safety of passengers, and
15 in some cases environmental protection. I shouldn't say some cases. In
16 every case it's partly that, part of the time is spent on that. However, as
17 the GAO report says, we could spend more time on that. When looking
18 at that, obviously it's a case of resource implication to that. And we're
19 looking at what is the proper balance between safety and pollution,
20 lacking additional resources, which we'll be asking for. So the intent
21 here is to maintain a robust program, in everything we do step out
22 ahead, as we can, and maintain a good, safe and environmentally
23 excellent program. Thank you.

24 **MR. VOGT:** All right. There is no penalty for
25 finishing early, we've heard that before. And I think we're coming to
26 the end of this meeting. Unless we have any questions or comments
27 further, I'll say that both this afternoon's and this evening's session,
28 we've heard some similar things, of course, this evening as we heard this
29 afternoon, but we're going to have differences of opinion on where we're
30 going here. But first stage, number one is collecting the facts. And I
31 hope we can all get together, as we're trying to do now, and collect the
32 information. What are the characteristics? What are we doing now in
33 terms of implementation of our rules and regulations? And then, where
34 are we going?

35 So, over this next week we will be certainly collecting as
36 much information as we can. And certainly we're open for beyond this
37 week in terms of information collection, data. There's much information
38 being assembled and collected. And as Ted mentioned, some original
39 research is being done in Alaska that is going to help us understand the
40 situation better.

1 Obviously, this last week we heard some, I guess,
2 unanticipated news that some of the numbers in the wastewater
3 discharges were much higher than we had thought they would be. So
4 with that, I think it's a challenge for us all to kind of put our heads
5 together and figure out what to do with this new information and what
6 programs we have, and how well we can address whatever we find from
7 what's going on in Alaska, as well as what we'll be doing in some of the
8 work that we'll do down in the Caribbean this winter.

9 So, with that, I want to say thank you for coming. Thank
10 you to the Port of Los Angeles for hosting us. And with that, greetings
11 and good will. And I will say that we will try and keep our website up
12 to date as best we can in terms of any new happenings, new events, or
13 any reports that are available. So thank you and goodnight.
14 (**WHEREUPON**, the Meeting was concluded at
15 7:05 p.m.)

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CAPTION

The Meeting in the matter, on the date, and at the time and place set out

1 on the title page hereof.

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3 It was requested that the Meeting be taken by the reporter and that same
4 be reduced to typewritten form.

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