

EPA PUBLIC MEETING
OCEAN DISCHARGE CRITERIA
September 12, 2000
1:00 p.m.

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MR. BOB HOWARD: Hello everybody. I want to welcome everybody to the public hearing on cruise ship discharge. My name is Bob Howard, and I am acting today as Beverly Banister who is our division director for our Water Division out of EPA Region Four in Atlanta.

She was delayed this morning. She will be here very shortly and she will join the panel when she gets here. I'm going to give introductory remarks for her.

This session is to receive comments on an assessment that EPA will be preparing regarding cruise ship discharges. I'm very pleased that you're here and look forward to hearing your comments on this subject.

Before going any further I want to introduce the panel that will be here and receiving the comments. First, we have Craig Vogt. He is the Deputy Director of the Oceans and Coastal Protection Division with our EPA Headquarters in Washington DC.

Next to him is Captain Brian Basel. He is Chief of the Marine Safety Division with the U.S. Coast Guard and their Headquarters.

And to his left is Satish Kastury. He's the Administrator of Hazardous Waste Program for the Florida Department of Environmental Protection.

I just want to reflect on the regional significance to Region Four, to Florida, and to South Florida of the cruise ship industry, and to put into perspective for here. As you may have heard, there's been two public hearings, one in Los Angeles, and one in Juneau.

This is a particularly important issue in the Southeast. The cruise ship industry is very important to the economy and to the environment in this area. Over four million passengers embark on cruise ships per year in the South Florida area out of the Port of Miami, Port Everglades, Port at West Palm, Port at Canaveral, and the Port at Tampa.

1 In addition to these four million passengers who are
2 currently enjoying the cruise ship industry there are proposals for
3 expansion of the industry. There are a number of new ships that will be
4 coming online with increased number of passengers in the very near
5 future.

6 The industry is also counting on that increase continuing due
7 to retiring Baby Boomers and a continuing positive economy that we're
8 experiencing in this country.

9 These increased ships and these increased numbers of people
10 bring certain effects. One is an increase to the economy. It will help
11 the Southeast Region to bring in the additional economic benefits.

12 But as well, there are increased waste management concerns:
13 There are increased sewage, gray water, solid waste, hazardous waste,
14 and oily bilge water that emanates from these cruise ships.

15 We're pleased to be part of the effort to take a look and
16 perform an assessment of these discharges from this industry, to look at
17 the current statutes, to look at the regulations and practices, to work
18 with the cruise industry, and to work with other stakeholders to assure
19 that the issues are well defined and appropriate actions would be taken.

20 The goal: To assure the protection of public health and the
21 environment through a reasonable and efficient process. With that,
22 again, I wanted to thank you and welcome you to the Region Four
23 Southeast part of the county for those of you who are from elsewhere.

24 I will now turn over the meeting to Craig Vogt who will
25 preside over the presentations and the commenting.

26 **MR. CRAIG VOGT:** Good afternoon. It is my
27 pleasure to be here. I am very pleased that Beverly Banister has joined
28 us on my left, Water Division Director in our Region Four Office, just
29 in time to hear Bob wrap up her remarks. That's perfect for you.

30 We're first going to do a couple opening remarks,
31 presentations actually. First one by the Coast Guard and one by the
32 State of Florida, and then I'll do a little show and tell in terms of what
33 EPA is doing in terms of response to the Blue Water Network Petition
34 and sort of status of where things are.

35 I do want to introduce two folks that I have with me today
36 down here. Almost at the head table Tom Charlton. Stand up and show
37 yourself. He's from our office of Waste Water Management, the NPDES

1 Permit Program EPA Headquarters. And Dorn Carlson, he's with the
2 Ocean Protection Division, my division from EPA, of course. Those
3 guys are going to tell me what we heard today.

4 So with that, Bob Kirk from the U.S. Coast Guard is going
5 to give us a little presentation, thank you.

6 **MR. BOB KIRK:** Good afternoon. I'm just
7 going to give a short presentation on generally what the Coast Guard
8 looks at when we go on board cruise ships. The Passenger Vessel
9 Control Verification Program was established in 1968.

10 And under this program basically under the authority of 46
11 USC 3505 and 3303 it states that all foreign passenger vessels that
12 embark passengers from a U.S. port must be examined by the Coast
13 Guard. We do this four times a year.

14 We break it down to what we call three quarterly exams, and
15 one annual exam. The quarterly examination typically lasts three to four
16 hours, and its primary focus is on crew performance.

17 We're there to see if the crew can adequately handle
18 emergency situations. So we go on board and we do fire drills, abandon
19 ship drills, where we lower and release the lifeboats. We do damage
20 control drills where we simulate groundings and collisions where the
21 ship is taking on water, and they have to handle these kind of
22 emergencies.

23 That's the primary focus of a quarterly examination. Along
24 with that we also spot check the vessel. We may go around and check
25 smoke detectors, fire screen door, and walk through the ship looking for
26 fire and safety hazards and any modification in general.

27 That's about the scope of your normal quarterly examination.
28 On an annual examination, which is typically six to eight hours, again,
29 we do drills, but then we get much more focused on equipment and
30 systems. We take a detailed look at fire detection/fire protection
31 systems. We check smoke detectors throughout the ship. We test water
32 tight doors down below. We test fire pumps. We look much more
33 heavily at the equipment and system side during an annual.

34 Far as pollution prevention the Coast Guard focuses on three
35 areas: Oil, oily bilge water, sewage, black water, and garbage. Those
36 are the primary three things that the Coast Guard focuses on.

37 We do this under various U.S. and International laws and

1 treaties. Under oil one of the first things we look at is the International
2 Oil Pollution Prevention Certificate or the IOPP. This certificate attests
3 to the fact that the vessel is in full compliance with Annex One to
4 prevent pollution from oil.

5 So we look at the certificate that states that the vessel has
6 been surveyed, that the equipment has been inspected and tested, and
7 that everything is satisfactory. This is where did you can go on board
8 and look and find out what type of equipment: Oily water separator is
9 on board. You can tell where the tanks are located, which tanks are
10 being used to hold the waste.

11 Next we look at the oil record book. The oil record book is
12 a record of all types of transfers and operations involving the taking on
13 of bunkers or fuel in port, the discharging of waste oil ashore, discharge
14 of oily bilge water at sea through properly operating oily water
15 separator.

16 This book keeps a record or tract of all these operations.
17 They're required to put the date, the place, the time, the location, the
18 amount, and the person who is actually doing the operation is required to
19 sign it. Then when the page is completed the Master upon his review is
20 also required to sign it.

21 Then we actually go down and test the oil water separator.
22 We make sure that the 15 parts per million monitor and alarm are
23 functioning properly, the overboard discharge value closes when it's
24 supposed to. So these are some of the things we look at in more detail
25 on an annual examination. We look at all transfer procedures, we visit
26 the bunker stations and things like that.

27 Secondly we focus on garbage. July of '98 passenger vessels
28 are required to come certified under the International Safe Management
29 Code ISM Code. Part of that requirement was the development of the
30 Safety Management Systems.

31 In those systems they had to basically layout all the
32 procedures and policies that a ship has to do on a daily basis. Some of
33 that was environmental policies and environmental procedures. So you
34 go on board get a look at how they're supposed to handle their garbage.
35 A lot of the cruise ships have waste or garbage plans.

36 So you take a look at that plan and that plan will tell you
37 how they're supposed to handle garbage an a day to day basis. They're

1 supposed to separate the plastic, separate food waste, things like this.

2 The garbage log is just like the oil record book. It's a log
3 that keeps track of when they land the garbage ashore or anytime they
4 discharge the garbage at sea this is all supposed to be recorded.

5 During the inspection we go down to the places where they
6 generate a lot of the garbage or the waste. The reefer spaces, the dry
7 storage places, the galley, the crew spaces. This is where all the work
8 of the ship is actually going on. We go down we and look at those to
9 see if they're actually following the procedure that they're supposed to.

10 We visit the garbage handling room. We go and look at the
11 incinerator to make sure it's operating, and make sure that they're
12 separating plastics and things like that.

13 Sewage, black water: We go down and examine the marine
14 sanitation devise. We make sure it's visibly and structurally sound, it's
15 not wasted. We make sure they have the proper supplies required by the
16 manufacturer for the plant that's properly operating.

17 Then we've got a couple of other things as far as the Coast
18 Guard what its current activities are in relation to waste streams. We
19 continue to work with the cruise industry, with our partnership at the
20 headquarters level. We're working with the State of Alaska and the
21 cruise industry in the monitoring and sampling of the waste streams
22 many of you have probably heard about.

23 We're also working with the EPA in these listening sessions
24 around the country. And we're also working with the State of Florida,
25 and the Florida Caribbean Cruise Association and its MOU on waste
26 streams as well.

27 Future activities: We're going to continue to work with the
28 state and federal agencies along with the industry. The Coast Guard is
29 looking at possibly expanding the scope of our examination program to
30 maybe oversee some of these waste streams. We're looking at
31 developing check lists in cooperation with the states and other federal
32 agencies to help our inspectors as we take on these additional waste
33 streams. That's it.

34 **MR. CRAIG VOGT:** All right. If there's any
35 comments of a clarifying nature that will be fine at this point, if not,
36 Satish Kastury who is the Administrator of the Florida Department of the
37 Environmental Protection Hazardous Waste Program.

1 **MR. SATISH KASTURY:** Good afternoon. My
2 name is Satish Kastury. As Craig pointed out, I'm the Administrator for
3 the Hazardous Waste Program State of Florida. I have some other staff
4 persons also here I'd like to introduce. I will start with Mike. He
5 works for me. He's a Compliance Section administrator.

6 Then we have from our West Palm District Office Rick.
7 Rick is the program administrator in our West Palm District Office.
8 Then we have Jeff Smith with the Compliance Enforcement
9 Environmental Special Manager there. Then Tiffany, she also works
10 with Jeff and Rick. We're all from the Waste Division.

11 Then we have Richard Drew I think he stepped out and I see
12 his cell phone ringing. He's the Chief of the Water Program out of
13 Tallahassee. Then we have Guy from Orlando District Office in the
14 Water Program.

15 What I would like to do is just briefly give you an idea of
16 what we have been doing and what we have in mind to interact with the
17 cruise line industry with respect to the waste management issues as well
18 as the water program.

19 It all started more than a year ago the various aspects
20 regarding cruise line industry. How the ships -- come on board and how
21 they operate worldwide. Primary out of Florida our information shows:
22 Miami, Port of Miami, Port of Everglades, Port Canaveral, Port Tampa
23 are so-called areas where some of the cruise lines ships come on for
24 picking up the, you know, the passengers to go on cruise etcetera and
25 also regarding the waste management issues.

26 How the waste is being managed. At this point, and also as
27 you know one company may own more than one cruise line. And most
28 of these cruise lines -- also the vessels, based on age of the vessel, have
29 different technology on board.

30 I don't want to go into those details the Modified
31 International Convention modified in 1978 and the various regulations
32 associated with that. Also you know about the international waters. The
33 three miles from land. What are the port conditions, and then the oil
34 pollution Act of 1990 within three miles of land and 12 mile area. This
35 is just background. I am not going to go into that.

36 Waste streams: Typical waste streams could be anything
37 related to gray water, black water, or food waste, or any ash. Then

1 comes in some of the things potential for any waste of any dry-cleaning
2 operation, any paint related or any outdated expired pharmaceutical
3 products, and waste, and the bilge water.

4 Then additionally sometimes you may have any used oil
5 associated with sludge or sometimes you may have on board any
6 photographic waste. If you have any -- most of the people try to
7 develop film, take pictures, and some of them potential would be in the
8 aerosol cans and any of the solid waste, typical solid waste.

9 Disposal: Various regulatory programs how the 12 mile
10 works and the three mile is at sea or is it on board or on land. All
11 these things are the typical background information.

12 When you bring cruise ships or ship comes ashore then the
13 waste that comes out of the ship. Some of these wastes we talked about,
14 could be possible some of this waste could be coming on board being
15 generated once it comes offloaded at any of the ports, any of the sludge
16 or flourescent lamps or batteries.

17 How do you manage these waste streams once they are at the
18 port? What are the different types of wastes that would be associated
19 here?

20 Again, the disposal option you could maybe staged at the
21 terminal until the cruise line has a vendor pick up. We are seeing, most
22 of our observation is, cruise line doesn't want to store at the terminals.
23 I think couple of hours maybe, so that immediately the waste would be
24 picked up by the vendors or the contractor for proper management
25 practices.

26 What we heard from cruise line also is that for various
27 reasons they also don't want to keep the waste at the terminal. Less
28 than a few hours. The waste would be picked up. Actually, the vendors
29 can go on board, bring the waste, and make sure disposed of properly,
30 and then it's managed. That's the practice.

31 Some of other issues coming -- we started encountering, and
32 we started working with the cruise lines is when you look at some of the
33 ships, these vessels, these are like floating cities. You're talking about
34 2000, 2500 people on board who wants to go on a cruise.

35 This is not like a small sailboat type of activity. And the
36 question is where would be the point of generation of the waste. Would
37 it be by ship or would it be by cruise lines, by a corporation. One of

1 the issues that we initiated with the industry, with the cruise line, then
2 they were really very cooperative and try to work with the department in
3 trying to address that issue.

4 Then how do you count the waste, management of the waste,
5 where it's going. As you know under the Hazardous Waste Regulations
6 Act once you've generated the waste the vendor is responsible to make
7 sure whether this waste is being properly managed.

8 Cruise lines are coming forward and stuff, you know,
9 discharging at sea maybe bringing on board and have a proper
10 management on land and so that it could be properly managed.

11 Then obviously the record regulation require that you do
12 need to have record retention, providing documentation of how you are
13 managing the waste.

14 As you know this is not an everyday concept. It's a
15 seasonal conditional waste. It's industry seasonal. Usually November
16 through April in Florida, and another time in the rest of the world. It's
17 a moving city. Moving type of operation.

18 Now, do we issue more than one EPA ID number at the
19 terminal or if we are do we issue one EPA ID number for the cruise line
20 or by ship. These are the type of issues we entered into discussions.

21 Then we looked at it, this is not like a typical industry. It
22 is not like a typical manufacturing industry where you have a stationary
23 source, a process where you manufacture a product; you're buying certain
24 chemical or products and manufacturing and generating waste. This is a
25 moving city.

26 It's a different type of situation here in this industry. So it
27 all started with taking the initiative on this. Tallahassee, EPP District
28 Office, and the cruise line industry. Both the FCCA of Florida and
29 Caribbean Cruise Line, and then the ICCL.

30 We all started in a pro-active way of trying to see how to
31 address these and as part of that we entered into an MOU as a pro-active
32 member of understanding. If you all want a copy of the MOU, it's on
33 FDEP web site. We can easily give you that. If you give a business
34 cards, we can wire you a copy of MOU. We can easily email that.

35

36 The MOU is signed March 14th, 2000 as a pro-active
37 between the District Office, Tallahassee FDEP, and the cruise line. The

1 concept here is the policy of MOU policy goals is cruise line agreeing to
2 comply with all applicable laws and regulations of the state and federal,
3 and maintain a cooperative relationship.

4 One of the big things cruise line has come forward or this is
5 to change some of the existing systems to promote pollution prevention
6 and waste minimization.

7 For example, one of the example you would look at is dry
8 cleaning. Typically you use solvents. You know, the so-called
9 chemicals, solvents using non-solvent based dry cleaning operation like
10 carbon dioxide Co2 type of system installed on the ships and so that you
11 can do a waste minimization and reduce pollution.

12 Re-use and recycling, and training and education of the
13 crew, as well as the vendors, and come up with some sort of a process
14 whereby to hold waste water generated when it comes on board at the
15 terminal it is properly accounted. How the waste will be managed.
16 These are all the type of things discussed as part of the MOU.

17 As I say, one of the exhibits is unfortunately not a good
18 copy there, but this is diagram as what I was aiming at with the account
19 of waste when it comes on the terminal.

20 Cruise lines committing to have a process in place when the
21 waste comes -- and the ships comes to the terminal the contractor or
22 vendor or whoever, goes there and picks up the waste, brings it to the
23 terminal, accountable to make sure it is properly managed, keeps all the
24 documents at the proper place with the operation of the ship.

25 That's the agreed upon process because we want to make
26 sure not only environmentally taken care of but it's properly managed,
27 the waste.

28 I think that's all our presentation. I just want to mention a
29 couple of things. As part of this outreach and pro-active we're also
30 working with Coast Guard and EPA on the point of generation aspect
31 and the inspection of the ships.

32 The Department comes to some sort of understanding that if
33 Coast Guard is already inspecting the ships on a quarterly and annual
34 basis. The Department, the EPA, thinks it makes sense to let Coast
35 Guard do the inspections if any inspections are needed with respect to
36 the waste management practices.

37 And keep tract with EPA and Coast Guard and cruise line

1 and involving any training, educational training, interaction between the
2 EP and the Coast Guard and EPA and the cruise line. So then look and
3 let's see what happens; how it all work and let's see how this works out
4 and see how it comes together.

5 With that I will let Craig take over.

6 **MR. CRAIG VOGT:** All right. With a little
7 entertainment we try to run public hearings as best we can. Public
8 hearings don't necessarily have the best format necessary to transfer
9 communicative information, but it is a useful one, and I hope we can do
10 that today.

11 I will speak for probably 10 minutes or so and just give you
12 an overview of EPA, what we're doing, and where do we think we're
13 going. You can see here this is the third public hearing, public
14 information hearing in a week. This is the final of the blitz. We are
15 learning things, and I'm pretty pleased so far with how these hearings
16 have gone.

17 Los Angeles was a much smaller crowd than this. Juneau
18 was 100 people who seemed to care much about Alaska from various
19 viewpoints, and here, of course, you're here because you care.

20 Just for my information, if you don't mind, how many of you
21 have been on a cruise ship? How many haven't? All right, I know for a
22 fact you were on one last Friday. We had the opportunity to tour one of
23 Princess's ships, the Dawn, on Friday and it was quite educational, for
24 me anyway.

25 I have been on ships before. I was Merchant Marines for
26 four years back in the 60s, I guess it was. I operated an EPA vessel a
27 165 research monitoring vessel. And yesterday I asked specifically
28 what's in our gray water? What's in our MSD? How well is it working?
29 Those questions are being asked. I bet the Coast Guard has vessel they
30 will asking those questions about too.

31 Which is the point of why we're looking at cruise ships
32 today, but some of our option deals with all vessels. So this issue that
33 we're dealing with here: Water and waste water management from
34 vessels is all vessels.

35 That point being made I will launch into my prepared
36 remarks. As you can see, I am not reading. Just to give you the
37 concept of what we're facing in terms of Environmental Protection

1 Agency and all of its estate holders in this, these are some of the
2 threats.

3 All right, some of the threats facing our oceans today:
4 Certainly point and non-point sources putting pollutants and contaminates
5 into our waterways. Marine debris. Physical alterations of the
6 ecosystems, certainly we know about that here in Florida. Storm water
7 runoff. Coastal development is certainly one element of some of our
8 degraded waters. Introduction of non-native species, invader species,
9 exotic species; and lots more different names, but a real serious
10 environmental problem.

11 One we are really not addressing in this effort, but one that
12 has a lot of difficult problems facing it and no simple solutions; the
13 damage certainly caused by commercial and recreational use; not a
14 comprehensive list.

15 More in context in terms of what we're facing and that's
16 what this is and can see the problems, trends that we are dealing with.
17 I'm not saying that all waters have nasty environmental problems, but
18 some do. We have some trends that are not necessarily what we like.

19 I am also not saying that these are related to cruise ships,
20 but this is our context setting of a lot of stresses on our marine
21 ecosystems. We have beach closures, the human health aspect.

22 Hypoxia, the Gulf of Mexico each summer has the dead
23 zones some 7,000 square miles large, and that's coming the heartland of
24 our county we think.

25 Too much nutrient, too much fertilizers, too much organics
26 coming down the Mississippi River and coming into the Gulf of Mexico
27 which has a very nice breeding ground for alae. They grow, they die,
28 they take oxygen out of the water and pushes life aside.

29 Lot of beaches having closed, and I think the trend is up.
30 That doesn't necessarily mean our water is getting worse maybe our
31 monitoring and reporting systems are getting better.

32 Coral reefs, we have an executive order on coral reefs. A
33 federal task force has been set up studying coral reefs looking to prevent
34 further decline as well as enhancement.

35 And then we have lots of water with fish advisories,
36 meaning don't eat the fish or don't eat it too often. It's not all fish, but
37 certain species.

1 I don't really have to much to say about this, I think we
2 pretty much have covered the basics on what we're looking at. We are
3 looking at waste water, and waste, hazardous materials, solid wastes
4 from cruise ships, and air mission is on a separate tract.

5 Now, the MOU in Florida was signed on March 14th. We
6 received the petition from Bluewater Network on March 17th, or at least
7 it was signed that date.

8 The folks up in Alaska are also very involved in terms of
9 working out agreements with the cruise industry. So the Florida network
10 has brought this to our attention in Washington D.C. at Headquarters and
11 essentially said, "Hey this looks to be a national thing, let's look at the
12 national picture."

13 The petition: And you'll hear from one of the prime authors
14 of that petition in testimony today, so I won't go too deep into it, but it
15 does ask us to take regulatory action for cruise lines in terms of those
16 wastes that you saw.

17 There are two petitions. One on waste water and the other
18 is on air emissions. They're separate. Air emissions came second, and
19 it's being dealt with next. It asked us essentially to characterize
20 particular waste water on a cruise ships in terms of volume and what is
21 contained in those waste streams. Look at the potential and real, if
22 there are, environmental impacts.

23 What are the existing regulations? What policies, what law
24 and regulations are on the books now and how well are they working?
25 Then certainly options for monitoring record keeping and reporting, and
26 then to take action.

27 And specifically a couple key areas here is consider
28 repealing one of our regulations which exempted incidental discharges
29 from vessels from the NPDES permit program. And then more strictly
30 defining and regulating gray water. And then strengthening the
31 regulations governing hazardous waste on cruise ships.

32 A couple of related actions in my office: To make sure
33 they're all being done in my division or jointly with others, we have
34 another petition on ballast water. That's not just on cruise ships. It is
35 to regulate ballast water under the NPDES Program. That is being
36 worked on. We received a petition, I believe, a year and a half ago, we
37 do not have the answer to that yet. We hope to have it out next month.

1 That's a hope.

2 We also hoped to have it out a year ago at this time, so I
3 have much higher hopes for next month than I did last year.

4 We are developing under the Clean Water Act, there's an
5 amendment of the Clean Water Act, section 312(n), that would require
6 Navy and EP to jointly work together to develop uniform national
7 discharge standards for vessels of the Armed Forces.

8 Now, that's a very similar kind of activity to what has been
9 suggested in the petition. The EPA and the Navy have identified what
10 discharges might have some potential impact on the environment. And
11 the next steps are to set standards for those. We are three or four years
12 away from completing that activity.

13 Less related to those two: Executive Order 13158 President
14 Clinton issue an Executive Order in June of this year to do a couple of
15 things. One, marine protected areas, he wanted to enhance the system of
16 marine protected areas that we have.

17 He gave the job to EPA to specifically look at our ocean
18 discharge criteria, which is under the Clean Water Act, which applied
19 pipes, point sources; such as municipal treatment plants or industries
20 discharging from shore into the ocean, only vessels does that apply to
21 closing fish take zones.

22 But with that, setting more restrictive guidelines as well as
23 designating areas of the ocean real estate as special ocean sites that
24 would require more stringent requirements for what is discharged into
25 those areas.

26 Now, at this point it doesn't apply to vessels or fish take
27 zones or anything like that. I don't think it will, but I just want to alert
28 you to the fact that that is going on, and we will be proposing a revised
29 reg there. Not a revised reg, but a proposal in December January time
30 frame.

31 All right, a few words about existing regulations, EPA
32 regulations. This is one of the key elements of this discussion that we
33 are having. This is the exemption, the exclusion, for discharges from
34 vessels, operational discharges.

35 It reads: "The following discharges do not require NPDES
36 permits: Any discharge assumed from vessels from properly functioning
37 marine engines, laundry, shower, galley, and sink waste or any other

1 discharge incidental to the normal operation of a vessel. The exclusion
2 does not apply to rubbish, trash, garbage, or other such materials."

3 This means vessels sewage discharges, gray water discharges
4 are not regulated at our point source discharge program. We made this
5 decision by regulation back in about 1973. At the time we were faced
6 with many, many other much higher priority situations such as raw
7 sewage being discharged, municipal plants having to be built, very large
8 paper mills or steel mills and the like discharging.

9 At the time we thought that was not an important area to
10 deal with. Cruise ships were not important. Vessels were not important
11 to the overall scheme of things at that time. We're not saying that right
12 now that it's any different, but it's a fact that this is being examined.

13 Now, if we remove that exemption it doesn't just mean
14 cruise ships coming under the NPDES Permit Program it means vessels.
15 That's all the way down to if you've got a pleasure boat with an
16 installed potty that would do it, that would be covered.

17 Now, another part of the reasoning for that exemption is the
18 fact that 312 of the Clean Water Act does regulate sewage. It does it
19 with the joint partnership with EPA and the Coast Guard. EPA sets the
20 standards for marine sanitation devices and the Coast Guard has the
21 responsibility for overseeing the rules for design, construction,
22 installation, operation, certification, and inspection of those MSDs.

23 There's three types of MSDs. The next page will cover it
24 better than this. These are the standards. Three types. Type three is
25 pretty simple it's a holding tank. Type one and two have different
26 standards applied to them. Type one is 1,000 fecal chloroforms per 100
27 milliliters, and no floating visible solids. Type two is effluent fecal
28 chloroforms cannot be more than 200 per 100 ml and 150 milligrams per
29 liter.

30 Those standards were developed about 20 years ago and that
31 is another piece that we were thinking does it need to be examined and
32 revised.

33 Section 312 also provides for no discharge zones. And the
34 folks in Alaska all make this comment that they would very much like to
35 have no discharge zones in Alaska. However, the Clean Water Act
36 provides for that. There's some specific criteria, and one is it's got to
37 be ecologically important. And two, you've got to have sufficient pump

1 out facilities on shore.

2 Now, you have the state law that's different than just the
3 Clean Water Act that authorizes that. Certainly that's possible, but the
4 key thing here is pump out stations on shore. Historically to my
5 knowledge, is that there's not sufficient facilities on shore to take the
6 sewage from cruise ships everywhere, but there may be in some places.

7 Section 312 certainly does apply out to three miles and
8 Coast Guard has the primary enforcement responsibility.

9 Now, other key statutes that apply and I'm not going to talk
10 about these much. Marine Protection, Research and Sanctuary Act which
11 is the Ocean Dumping Act that requires a permit if you're going to
12 transport waste out to sea and dump it. So that's the U.S. Dumping Act.

13 The Shore Protection Act sets up a permit program for
14 vessels that are hauling waste from Point A to Point B. Not to take it
15 out and dump it, but just hauling waste.

16 The Anti-Pollution Act from ships is Coast Guard their
17 primary statute. I don't know if I said that quite right, but for those
18 type wastes.

19 Now, EPA. It's a regulatory agency. We've been coming
20 under control for a lot of years and it's worked very well. About 10
21 years ago or so we softened a little bit some of our approaches
22 recognizing that one size does not fit all.

23 And we have done successfully a number of non-regulatory
24 programs in partnership with various different kinds of industries, and
25 set up specific programs that look at a situation and try to apply our
26 regulations in a more flexible manner.

27 I don't want to try to explain any of these or all of these
28 anyway. Green Ports is one that we worked with. American Association
29 of Port Authorities we worked with them. They created a manual, an
30 environmental handbook, for situations on port grounds that provides
31 management practices for bulk cargo storage, for storm water runoff, for
32 some of their sandblasting type operation if that was on port grounds.
33 That's worked very well, and it's continuing to work through the
34 industry.

35 Same thing with golf and environment. We've worked with
36 the golf industry when they're going to build a new golf course or
37 enhance their current one to do it in an environmentally friendly manner.

1 And one that they won't let me on is the Save our Slopes, because
2 they'll never see me. This is working with the ski industry to build ski
3 areas that are also more environmentally friendly.

4 Now, in response to the Bluewater Network Petition. We
5 have a broad array of potential solutions, options. I am not sure if
6 solutions is the right word because there are no simple magic bullet, is
7 what I've learned so far.

8 I do want to say one thing. We are in the information
9 gathering stage in these three hearings. That's what this is called --
10 Public Information Hearing. Is that right, information, collection --
11 well, excuse me if I don't know the term here. But we are collecting
12 information. Decisions haven't been made yet. If I make any remarks
13 here that you think that I am going one direction or another, I'm not.

14 We truly are wide open for discussion, information, data, and
15 the like. These are: Obviously regulating on the NPDES Program,
16 repealing the exemption, revision on 312 regulations, looking at the
17 International Safety Management Codes, and Environmental Management
18 Systems which sounds voluntary, but it also gets into more mandatory
19 activities as the Coast Guard takes on the management plans for each to
20 the cruise ships, and makes inspections for those, and certainly other
21 option as well.

22 Now, where are we going? Our response to the Bluewater
23 Network said we would have a response back by September 30th or so.
24 We're not going to make that date, but we're going to try real hard to
25 make October.

26 The report, the assessment as I see it, will not be
27 comprehensive. It will be what we know at this point in time. We will
28 then initiate some sort of public dialogue with the report. There's a lot
29 of information coming from Alaska.

30 There's an Alaska initiative up there that has been taking
31 samples from cruise ships and that information will be available in
32 mid-October, I believe, in terms of the characterization. There's a lot of
33 things we can do without getting specifically to that information as we
34 are learning, but we will have a report, an assessment, we think in
35 October.

36 We will then work with the Coast Guard on the
37 recommendations through a public dialogue. From there we'll take

1 action. It's your government at work. We are going to take action. So
2 that's the end of what I have to say.

3 I can take questions if you have them or we have 12 folks or
4 so that have asked to speak, and that's what we can launch into now.
5 We will take a break at some point in time. Probably after a couple of
6 speakers.

7 Ellen Prager is first, and following Ellen will be Ted
8 Thompson.

9 **MS. ELLEN PRAGER:** Thank you, Craig. I'm
10 the Assistant Dean at the University of Miami, and I'm sort of going to
11 give you a little reprieve from the issue of regulations and discharge to
12 talk about a very positive partnership that the University of Miami,
13 NOAA, and the National Science Foundation have formed with Royal
14 Caribbean by being positive in a sense for the environment.

15 In fact, you guys are sort of getting a quick preview because
16 we're having a press event on Thursday and we've got a lot of response
17 from the press so I'll expect you'll be hearing a lot more about this in
18 the near future.

19 Well, what's it about? As I said, it's between University of
20 Miami, the National Science Foundation, and the National Oceanic and
21 Atmospheric Administration, and Royal Caribbean. As we speak Royal
22 Caribbean is building their new ship the Explorer of the Seas in Finland.

23
24 This has never been tried before, but we are actually
25 building a State-of-the-Art atmospheric lab and oceanographic lab on
26 board the ship, and an Educational Exploration Center and developing an
27 educational program.

28 And I just want to tell you a sort of analogy and this will
29 bring home why this is such an innovative and good idea. If you're a
30 researcher and want to work on the oceans or atmosphere you basically
31 apply for a governmental grant. And typically, research vessels costs
32 maybe 7,000 to \$10,000 a day to go out and do research.

33 Well, on board the Explorer of the Sea we're going to have
34 State-of-the-Art equipment and we're going to have berths available for
35 scientists to go out for a week at a time either for free or if our berths
36 are filled, and you have to get more maybe the standard market rate, I
37 don't know, \$2000 a week for a whole week of ship time.

1 So you can see this is a very good way of doing science
2 effective and cheap. So let me tell you a little bit more about the
3 project. The objectives are really three-fold. That is, the objectives are
4 to improve our understanding of the ocean and atmosphere through a new
5 platform for research. To address long-term spacial and temporal studies
6 at variability in a geographically important region.

7 Then finally, to provide a new and exciting venue for
8 passengers for education about the environment, and science: The
9 oceans and atmosphere.

10 A critically important area because the cruise track goes
11 across the golf stream every week into the trade wind region, and across
12 three important passages between the Caribbean and Atlantic sea.

13 Now, in science these are critical areas for understanding the
14 transport and balance of heat on our planet. Very important for the
15 trade winds for atmospheric transport and dust. I have an interesting
16 picture from one of our scientists on this issue of dust. Dust, taking
17 pollution -- a very recent report suggests that there may be connections
18 between dust transport and the health of humans, and the oceans.

19 You can see here, that it comes off of Africa in the trade
20 winds is a critical region for dust. This is a seasonal distribution of
21 dust coming off of Africa, and again, the ship cruise traffic goes through
22 this every week. And so we've never before been able to have a long
23 term high resolution sampling scheme in this area.

24 So, Explorer of the Sea -- most of you know how big these
25 cruise ships are, this is my first time visiting the Voyager which is the
26 sister ship and I was pretty astounded, but as a research scientist it's
27 essentially you're taking you lab to sea.

28 It's a stable platform that we really don't usually have. And
29 again, there will be weekly cruises so that means repetitive cruise traffic
30 every week. And again, it's a very important region.

31 So what are we doing to the ship? This has been an
32 extensive project, and it's been financed, as I said through these four
33 partners. What we're actually going to have is an ocean lab that will be
34 set up so that scientists can go in and work in the lab.

35 We will have an atmospheric lab. All the red circles show
36 you where there's instrumentation actually being put on the ship. We'll
37 have on the mast both before and aft meteorological equipment. On a

1 mast in front to the helipad there's going to be an atmospheric chemistry
2 suite so we can look at particulate matter and aerosols on the bow of the
3 ship.

4 On the bow we're going to have a flow through sea water
5 system. We have sensors to look at oxygen, salinity, temperature,
6 potential pollutant carbon dioxide, heavy metals. As time goes on we
7 plan to put more and more instruments in that area.

8 At mid-ship under the hull, and this tells you the
9 commitment of Royal Caribbean, they have actually drilled large holes in
10 the hull to mount two acoustic doppler profilers to be able to use sound
11 to monitor ocean currents and biologic population.

12 That to me is a real commitment. That's essentially what
13 we're doing. As I said, the research programs have to do with both
14 atmosphere and the ocean. And again, this repetitive cruise track with
15 instruments on board the ship is going to give us a high-resolution long
16 term sampling scheme that we've never had.

17 The kind of things that scientists, NOAA scientists -- and
18 eventually this will be open to any scientist that want to come on board
19 through a peer review proposal process -- will get physical, chemical,
20 biological properties of the ocean. Particularly those critical regions
21 we're going to be going through.

22 Aerosol concentrations, compositions, and the anthropogenic
23 input into the atmosphere, trade winds, algae layers.

24 And again, what we can do with this data is we can look at
25 some of the premier computer modeling efforts that are going on in the
26 ocean atmosphere. We can use the data that we collect to actually
27 ground truth images coming off of satellites. The new technology for
28 looking at the ocean atmosphere through a satellite is great. We will
29 have the ability to ground truth those so we know what they mean.

30 So again, this is going to provide us a new platform for
31 research. And what about education? That's the other thing I'll be
32 talking about. Well, we have what they originally called Kiosks, we've
33 decided that sounds kind of boring so they're going to be called
34 exploration centers.

35 And in these exploration centers they're kind of like
36 mini-museums, and they're going to have interactive displays to teach
37 some of the basic principles about the ocean and atmosphere. As well,

1 we have four large screens that have programs running on them. We
2 have two, actually three, absolutely fabulous public service
3 announcements done by Earth Communication Office.

4 Some of you may have seen them before, but they're just
5 spectacular talking about basically keeping the Earth clean and safe for
6 future generations. We also have on the touch screen, this wonderful
7 program called sea profile. It will have more than anybody is going to
8 want to know about the oceans. They can just touch through these
9 screens and learn everything they want. It's really excellent.

10 Plus, we're developing programming for the passengers.
11 That is, they will be able to take a tour of the lab. They will have
12 special presentations by the scientists who are visiting. Not only will
13 they hear about kinds of work we are doing, but they'll actually be able
14 to ask questions about the oceans and atmosphere.

15 We are developing a feature film series that will be centered
16 about the oceans probably from Discovery. They are going to provide
17 those films. We're really excited. We think that this is also an
18 opportunity where people can come and learn about the oceans and
19 atmosphere as they come on board the ship for vacation.

20 Who knows, people who want to bring their kids aboard the
21 ship not just a vacation, but a learning vacation this will be an excellent
22 opportunity.

23 I just want to wrap up, again, with two other pictures. One
24 is of the ocean lab because as a scientist this is not at all what our
25 ocean lab typically looks like. It's more like a Captain Nemo version.
26 But this is what the ocean lab is going to look like, and then one of the
27 educational kiosks.

28 I think one of the very innovative displays is going to be an
29 infra-red camera so a person can come and stand in front of it and it
30 will be displayed on a monitor so they can understand how we use
31 infra-red technology to study the ocean atmosphere. That will be very
32 informative. So that's it.

33 I just wanted to give you a brief introduction for this
34 exciting project, and unfortunately, I have to take off, but if any of you
35 have questions about this project, as I said, there's a press event coming
36 up this week with Nancy Wheatley from Royal Caribbean. I'm sure
37 she'll be happy to answer questions or give you my number so you can

1 contact me. Thank you.

2 MR. VOGT: We have a small change in the
3 lineup. There's some requests for early departures. Mike Crane is going
4 to be next, and following Mike will be Jim Merely.

5 MR. MIKE CRANE: Mike Crane from NOAA.
6 I'm with NOAA's National Oceanographic Data Center and I've recently
7 been assigned to its newly established Coastal Data Development
8 established at the Space Center in Mississippi. But in anticipation of
9 that particular activity NOAA has been redirecting its energy to define
10 the members on the coastal community.

11 We've had a lot deep ocean research and operations from
12 space craft and ocean platforms. We started to direct our attention from
13 the beach outward standing on the beach and seeing over the horizon,
14 you know, who is the community that's in that domain, both estuarine
15 and marine.

16 We have developed a workshop process under a project
17 whose acronym is ACCESS. Accelerated Coastal Community
18 Environmental Science Service in which we are inviting members of the
19 community at the local level, state agencies from the regulation side, the
20 academic community, and the commercial interests to come to
21 workshops, to identify what they would find useful in these coastal
22 regions.

23 If the weather service is measuring atmosphere every hour
24 on the hour, and the marine environment is very important, what would
25 they find useful in those kinds of domains.

26 So in those six workshops that we've held to date we've had
27 some material that I can deliver to the committee that will summarize
28 that. We have asked them to identify their needs and in summary
29 they've given us a set of input by parameters whether it's currents, storm
30 surges, temperatures, wave energy, atmospheric conditions, and so on.

31 We've also asked them if it's so important that they measure
32 it themselves and many community leaders said that they would or they
33 have. If they have measured it, would they make it available to that
34 community that was in the room and workshops and they offered to do
35 that.

36 But they also said that their County Commission or Board of
37 Governors didn't fund them to meet exchange requirements or any federal

1 agency management requirement. So the challenge came out as how do
2 we meet that?

3 I'm happy to report that participating in our workshops was
4 Carnival Cruise Lines, and they accepted the challenge and realized that
5 getting that information available and working with the local community
6 members to get that information in the public domain was an
7 opportunity.

8 They have done a program of hiring student interns in which
9 their mission is to work with our NOAA data centers to organization
10 these identified data sources of opportunity to make them available to
11 the general public.

12 There's a pilot program starting with South Florida with the
13 focus on the two south counties of Broward and Dade County. With the
14 academic institutions here we'd invite them to participate in the student
15 program. To have students hired to work, and process, and publish. To
16 work with their academic advisors on research programs, and combine
17 those into a new academic experience to the benefit of all the
18 communities from that.

19 And the sources of data are not limited to particular
20 academic sources those could be working with county groups that have
21 monitoring programs. So the counties, states, regionals, water
22 management districts, associations could be the direct beneficiaries of
23 this interactive type program.

24 To expand it, they've also extended offers to faculty
25 members to participate and also use the vessels as platforms of
26 opportunity for research and complement those activities.

27 NOAA, as part of its mission, has provided a web site FTP
28 site and server to help facilitate this information and exchange. We've
29 done on the east coast of Florida in workshops from Miami to the
30 Georgia border two series.

31 We're starting our next series October 17th in St. Petersburg,
32 Florida for a workshop to cover the counties of Collier County to Citrus
33 County inviting local member on the southwest coast of Florida to
34 identify their needs of estuary and marine observations and develop a
35 community and network in that basis with our partners: University of
36 South Florida and U.S. Geological Survey Coast Geology Lab that's
37 based there.

1 I have three documents to add to the record.

2 **MR. CRAIG VOGT:** Thank you very much.
3 Jim Merley, and he will be followed by Tim Protheroe.

4 **MR. JIM MERLEY:** Good afternoon. My
5 name is Jim Merley and I work with the State University System,
6 specifically I direct a center for environmental urban problems which is
7 jointly sponsored by Florida Atlantic University and Florida International
8 University.

9 Our major focus is on the issues of the growing region and
10 how growth effects our community, our land water resources, and what
11 policies of studies might be appropriate to address those issues.

12 I guess in today's context, and in terms of your gathering of
13 information, I'd like to provide you information on two public prior
14 harbor ships which I believe will provide a concept for the specific
15 issues that you're talking about that deal with the cruise industry, their
16 ships, and their possible impact on Florida's environment.

17 First, by way of background, in my personal experience I
18 served seven years in NOAA with their Office of Coastal Management,
19 and four years as the Secretary of Department of Community Affairs in
20 Florida where we had our state/federally approved coastal management
21 program.

22 In that capacity and with the assistance of a broad array of
23 public and private volunteers, late, former Governor Chiles appointed a
24 ocean study committee. Their report which has been complete now for
25 over a year I will submit to you as part of your record.

26 But it is one example at the State level fine-tuned, I think,
27 with some of the regional issues around our state where industry folks,
28 the environmental organizations, the state agencies, our Environmental
29 Protection, and our Federal government looked at the broad set of issues
30 facing our state and how we actually depend on the ocean for vital
31 resources for economic benefits, and of course, signify environmental
32 issues.

33 In a more specific context, and relative to the immediate
34 southeast area, in 1999 the Florida Legislature authorized a specific
35 Biscayne Bay study, which our center is implementing. We are in
36 process, and our report is due back to the Florida Legislature in January
37 of next year.

1 Our study assessment of the Biscayne Bay which has been
2 undertaken by a group called Biscayne Bay Partnership Initiative and it
3 includes over 200 volunteers from business, government, state, regional,
4 federal agencies, the Coast Guard, EPA, the Corp, Port of Miami, the
5 cruise lines, and container ship lines that serve that port, the marine
6 industry, and the recreational marine activities.

7 So it's a broad based attempt to take a picture of what is the
8 status of our Biscayne Bay. Which is a fantastic body of water which
9 includes a national park and many other marine protected areas, but also
10 the focus of a significant amount of maritime commercial, recreational,
11 and economic activity. In a water shed that expects another two million
12 plus visitors in the next 20 years.

13 So that's our challenge: To take a shot, or a picture if you
14 will, of what is the status. We are doing that through four
15 public/private committees made up of the typical players that I just
16 mentioned. We're looking at regulation, management, science, and social
17 economic activities.

18 And that range, believe me, covers elicits issues, and points
19 of view, and opinions on a great variety of issues and we are trying to
20 sort that out. The four reports will be available this fall.

21 The overall report of the study which will direct by policy
22 committee chaired by the Clerk of the Courts, Harvey Ruvin, here in
23 Dade County will be submitted back to the legislature with
24 recommendations.

25 So I believe that is an important context that you may have
26 found in other parts of the country. There are certain federal programs
27 like National Eserine Program and other programs which provide the
28 same kind of frame work. We have four such NEPs in our state that do
29 excellent work.

30 The Biscayne Bay Program right now is State driven, but
31 seeks the input of all the active players. We don't have a written report
32 to give you because we're trying, like everyone else, to be a little less
33 reliant on paper, but I would refer you to www.bbpi.org. Biscayne Bay
34 Park Initiative.

35 You'll find there an extensive catalogue of our research
36 information, the monthly reports for survey teams, a mapping project,
37 citizen input. It's the kind of interactive web site that I'm sure are

1 being developed around the country, but we think, again, is important to
2 this kind of a study.

3 I would emphasize that our commercial marine activities are
4 signify involved in this project. We have representatives on all of our
5 four survey teams, and I appreciate the opportunity to comment.

6 **MR. CRAIG VOGT:** All right. Thank you
7 very much. Tim. After Tim we will take a ten minute break.

8 **MR. TIM PROTHEROE:** This is interesting
9 and will be off the top of my head because I only found out five
10 minutes ago that I was actually going to be standing up and saying
11 anything at this meeting. So I thank my friends at Carnival for that.

12 We've worked together for a long time and, you know, I can
13 appreciate them wanting me to ask to speak. So I work for Lloyd's
14 Register. What is Lloyd's Register?

15 Well, Lloyd's Register is a ship classification society. Our
16 main role in life is to verify compliance of all international regulations
17 on a Flag of Administration through a process of inspections on board
18 ships, and audits, management system audits, which are the operational
19 procedures and practices, and safety and environmental protection are
20 being carried out as they should be.

21 So how does this work? Well, the International Maritime
22 Organization which is the international governing body for the maritime
23 industry is responsible or comprises of approximately 168 nations from
24 around the world who operate vessels.

25 And as you well know the vessels, the cruise vessels, coming
26 into your ports flying flags such as Liberia, Panama, and the Bahamas.
27 Now, each of these countries are signatories to the relevant rules and
28 regulations that are made on an international basis.

29 So there's no point in having regulations if there isn't
30 somebody in the system who's going to go on board these ships and
31 make sure that these regulations are being followed.

32 So that is one of the main roles of ship classification
33 societies. What we do is, we have a worldwide network of surveyors,
34 and audits who go on board vessels regularly to ensure that these
35 regulations are being followed.

36 Now, somebody mentioned the ISM Code earlier. The ISM
37 Code acts as a management system standard. And what it does is act to

1 incorporate all of the marine legislation under one management system
2 umbrella. And what that means is that companies, and I'm talking all
3 companies now, it's not just a U.S. problem, this is an international
4 requirement, this is not just the U.S.

5 In the Mediterranean and in the Far East where cruise
6 vessels operate they will be up against exactly the same issues. This is
7 not just a U.S. problem.

8 But what the ISM Code requires companies to have is a
9 management system in place. Procedures, instructions, that relate to the
10 policies that are laid down by the companies.

11 So what you've been hearing about are the programs that the
12 companies are getting up to: Environmental programs, and the different
13 aspects of waste management, waste water management, sewage
14 treatment, and garbage management. This is all incorporated, these
15 policies are incorporated into their management systems.

16 Now you say, well, that's all very well and good, but are the
17 people actually following it? Well, to ensure that they are following
18 those procedures and policies it's incumbent on us as a external third
19 party, IE non-interested third party, to come in and verify that those
20 procedures and practices are being followed.

21 Now, within these so-called management systems is the
22 requirement to report when there are problems. Because in the best of
23 laid down systems, we know for a fact in every walk of life, it's not a
24 perfect world and things tend to go wrong from time to time. People
25 either make mistakes or circumstances join together and you have
26 accidents, whatever. That happens everywhere not just in the marine
27 industry.

28 When this happens though, there is an online system that
29 ensures that appropriate action is taken and this is in two parts: What's
30 known as short-term corrective actions, IE action to put whatever has
31 taken place put it right immediately, but also a longer term view. So
32 you have a pro-active approach.

33 What that means is, you analyze what has taken place and
34 you find the root causes and you look at the lessons to be learned from
35 the things that have gone wrong and then you implement corrective
36 action in such a way that these things won't go wrong in the future.

37 So it's a self-perpetuating system. It's a dynamic living

1 breathing system that continually improves over a period of time. And
2 this is a fundamental requirement of a system. When we come in and do
3 our external inspections, our external audits, if this is not happening,
4 then we have a process of reporting it; feeding it back to the companies
5 and making sure that those systems work.

6 If there are complete failures, then we have the authority,
7 based on the flag state approval, to suspend certification and without
8 this statutory certification these ships cannot operate, would not be able
9 to leave port.

10 The classification society works very closely with the U.S.
11 Coast Guard and port authorities where the Coast Guard finds specific
12 problems. Or where in between our inspection the Coast Guard goes on
13 board and they find something wrong and we work directly with them
14 also to put things right.

15 If the Coast Guard finds anything particularly wrong they
16 have the power to detain the vessel and make sure it goes nowhere until
17 these things are put right.

18 It's a much more detailed subject than that, but in summary
19 there are systems required to be in place. And all these things that the
20 cruise lines say that they're doing, once they put it into their policies
21 and they put it into their procedures, it is verifiable by an external
22 agency, such as ourselves or one of the other classification societies.

23 If it isn't being done, then the consequences are, in worst
24 case scenarios, that the vessel is not able to operate at all, okay. And
25 this is an international regulation not just the U.S. This is happening all
26 over the world. The ISM Code has been in existence on a basis for the
27 last two years now. All cruise ships everywhere are complying with this
28 requirement. Thank you.

29 **MR. CRAIG VOGT:** Okay, we're going to take
30 a ten minute break. Following the break and before you get up and
31 leave, a slight juggling of our schedule. Elizabeth Freese, John Jones,
32 Nancy Lee, and Robert Winebread. That's the order that will speak. We
33 will try to keep our remarks to ten minutes or less, if possible. We
34 have probably have another -- at least 10 speakers, I have not counted
35 yet -- so ten minutes.

36 (**WHEREUPON**, a break was taken.)

37 **MR. CRAIG VOGT:** Elizabeth Freese.

1 **MS. ELIZABETH FREESE:** I should like to
2 start with three disclaimers. I am not part of the Federal government,
3 although, I've had the distinct privilege of being with the Navy for a
4 number of years.

5 I am also not part or associates in any way with any cruise
6 line so my remarks are not directed at or toward any practices except
7 vast management practices generically already existing in the cruise line.

8
9 I'm also not a part of EPA's Green Port although I am
10 president and CEO of a consulting company called Green Port.

11 At the moment we are working internationally with tankers
12 and European ports. I am also working with Brown Field Pier in Miami,
13 and working with some environmental justice issues. So it is from that
14 perspective as a private citizen and not with any affiliations that I
15 present these remarks.

16 I think it's very important that I take the time to very
17 clearly thank the Bluewater Network. Everyone said, "Have you read
18 their petition? Have you read it?"

19 And I finally printed it and I've read it a number of times,
20 and I think it's superb. I think a lot of sincerity went into it. A lot of
21 effort went into it, and I am very appreciative of the kind of document
22 that can initiate meaningful dialogue on issues of substances and that's
23 clearly one.

24 I would also like to thank the FCCA and FPEP for their
25 innovation and excellence in producing their Memorandum of
26 Understanding. I think it shows understanding for many things. One
27 being, a vessel is not a building with water under it. There's a theory
28 that that's so and it's simply not true.

29 Vessels have stability issues. Vessels have other issues.
30 And it's very important when dealing with that to talk about the
31 integration of risk management. How do we know when too much is too
32 much? How long can a vessel retain something and not have stability
33 issues? When is it appropriate to discharge? Those issues need to be
34 factored into any discussion relevant to protection of the environment.

35 Safety of life at sea is important. In fact, I don't think
36 there's anyone in this room who would deny that it is of primary
37 importance. And I would like to thank the Coast Guard having worked

1 with them for a number of years for their diligent oversight of those
2 issues.

3 I also think it's very very important to realize that while we
4 hear about logos and we hear about brand names, and we hear about
5 initiatives, and we hear about big ships and more ships, the one thing I
6 don't hear very much about are people.

7 And it's interesting to note that cruise ships are not manned
8 by robots. They're manned by people. Sometimes people from 70
9 different countries with 70 different understandings, and 70 different
10 backgrounds, and 70 different cultures. All working together as a team.

11 Think about that. The diversity in the United States is a
12 country famous for celebrating diversity. You can't want much more
13 diversity than you find on a cruise line.

14 So maybe in addition to thanking everyone else we need to
15 thank the people who sail on the cruise ships, who have chosen that as a
16 career, sometimes for generations and are very proud of what they do,
17 and how they do it, and work long hours to be sure that they do it right.

18
19 But I think more importantly for sometime despite what you
20 may have heard and read the cruise lines have been doing a fantastic job
21 beginning with shared values. What are the basic fundamentals of
22 environmental regulations and environmental management? Shared
23 values.

24 I don't think there's anyone who doesn't want to protect the
25 environment we all live in it. So once you begin with shared values
26 then you begin to find that the cruise lines have spent an enormous
27 amount of time and are very dedicated to begin pollution prevention as
28 opposed to waste minimization.

29 I cannot tell you how many hours they spend looking for
30 quality vendors, the right package, less hazardous chemical, better
31 processes, how do we perform a task differently. Why is that so? A
32 couple of reasons. It makes good business sense. It protects their
33 people, and it improves their operational efficiency.

34 I think the cruise lines and their quality of vendors have a
35 great deal to be proud of. Discharges that are mostly constituted by the
36 least hazardous chemical that you can find to do the job while they still
37 need to be reviewed are not nearly as threatening as the methyl ethal

1 death in waste water.

2 So I think we need to look at the fact that the cruise lines
3 have done a tremendous job in that arena. Human factors: We all hear
4 no matter how good a ship, no matter how good the design is, no matter
5 how good the itinerary is; if the people on board aren't trained to
6 understand the operations, and the equipment, and the processes, and the
7 procedures, then it doesn't matter. You're not sailing straight.

8 So the cruise lines have put an inordinate amount of time,
9 and money, and effort into high quality training for their people at all
10 levels. They have done it voluntarily. They've done it sincerely and it
11 makes a difference in their discharges.

12 And it make a difference in the fact that they don't pollute
13 as much because the people understand, care, and are well trained to
14 perform their duties. The human factor is a very important part of it.

15 Then at the end of all that you get to technology, and
16 technology demonstrations. The cruise lines have spent a great deal of
17 money, and a great deal of time, once again, searching for the best
18 technologies they can find. The best available technologies. It's
19 important.

20 They're not looking for junk because it's a business
21 investment for them. Those pieces of equipment are on board those
22 vessels and people are being trained to use it appropriately programed
23 maintenance systems are ensuring and tracking that maintenance is
24 performed.

25 The Coast Guard is not the only thing that monitors
26 maintenance and ensures the systems are functioning. So I think despite
27 everything you've heard, I think there's a lot of good being done. I'm
28 also very concerned when people start saying look at standards and look
29 at ISO.

30 I will tell you very honestly that I don't think at this point
31 in time ISO 14,000 is appropriate, and I feel that way very strongly
32 because ISO is based on the premise that you have in place an
33 operational and auditable for some time system.

34 You don't build systems and audits simultaneously. If you
35 do, the validity is none. But I think there are alternatives including
36 some of the work done by the Council of Great Lakes Industries, the
37 Total Quality Environmental Management Matrix, some of the things I

1 worked with at EPA headquarters on.

2 Those were all very important initiatives. And I think some
3 of the people and the people from NOAA, from's Eastman Kodak and I
4 know Dr. Grace Weaver was a part of that. She also been working with
5 some of the cruise lines on Green Hotel Initiatives and doing an
6 absolutely incredible job.

7 So I think there are persons and programs that are probably
8 more applicable and directly relevant than ISO 14,000 at this time. That
9 basically sums up what I had to say. I felt a need to say it. I think it's
10 important, and because I am not a part of any side, it was nice to finally
11 be able to do it. Thank you very much.

12 **MR. CRAIG VOGT:** All right, thank you.
13 David White and followed by Nancy Lee.

14 **MR. DAVID WHITE:** Good afternoon, and I
15 thank you for the opportunity to provide these comments. My name is
16 David White. I'm the Regional Director for the Center of Marine
17 Conservation in St. Petersburg, Florida.

18 The center for Marine Conservation is one of the largest
19 private not for profit conservation education organization in the country.
20 We are dedicated to protecting marine ecosystems. We are one of the
21 petitioner's on the Bluewater Petition.

22 The Center for Marine Conservation represents the interest
23 of over 100,000 citizen nationwide. Our mission is to protect the oceans
24 ecosystems and to conserve the abundance and diversity of marine
25 wildlife. We do this through science based advocacy, research and
26 public education.

27 We have a long history of involvement with the issues
28 related to the cruise line industry. We've worked for the ratification of
29 Annex five in 1987. A number of other federal international treaties.
30 We initiated a cruise watch program in 1991 to enlist passengers in
31 assessing the impacts of cruise ships.

32 We've organized waste management seminars with the cruise
33 industry in the early '90s. We're a member of the Ad Hoc Committee
34 for the Marine Board that led to a 1994 report: Clean Slips, Clean
35 Ports, and Clean Oceans. And a number of other initiatives that effect
36 the cruise line industry.

37 As you talked about earlier the cruise line industry is a

1 rapidly growing segment of the tourist and travel industry. There are
2 225 ships that carry more than nine million passengers in 1998, and the
3 capacity is expect to grow by 35 percent by 2003 according to a recent
4 report by the General Accounting Office.

5 Now, admittedly regulation of this industry is an admittedly
6 complex undertaking especially given the large number of cruise ship
7 corporations, the age, and various conditions of the vessels, the attitude
8 and the training of the operators some of whom, as you've heard, come
9 from over 70 countries.

10 The mobile nature of the discharges, the variation in
11 receiving water quality through all the ports of call and the beneficial
12 uses of those waters some of which are not very good water quality and
13 some of which provide drinking water for some people.

14 Regardless, given the importance of preventing further
15 degradation of our marine resources, state and federal agencies should
16 promptly move towards the adoption of clear and precise rules to protect
17 the public health and welfare, and to ensure the long-term health and
18 vitality, and productivity of our state and national waters.

19 The current sewage and gray water policies that we are now
20 talking about enforcing which the cruise industry is voluntarily
21 complying with were developed years ago when the number of vessels
22 and the number of passengers were significantly smaller. We are all
23 aware of the concept of the cumulative impact of all the federal laws
24 and from the Clean Water Act and the Endangered Species Act require
25 consideration of the cumulative impacts.

26 We heard from EPA earlier about all the other sources of the
27 pollution, and all of the other sources of degradation to our marine
28 ecosystems, and we need to be looking at all of these things and the
29 impact of cruise ships is clearly a significant impact.

30 Recent reports indicate that the gray water may have as
31 much impact as sewage. We have heard reports about fecal chloroforms
32 showing up in gray water which we have always been told is not
33 harmful. These rules just need to be revisited. They were done a long
34 time ago when the situation was different.

35 Illegal discharges undermine public confidence and create a
36 need for better monitoring and enforcement. Cruise ship waste streams,
37 physical and secondary impacts may have significant local and regional

1 impacts on coral reefs, fisheries, air and water quality, and highly
2 sensitive and unique marine systems that are frequented by these cruise
3 ships that are attracted to these areas because people want to go there
4 and want to see them.

5 We've come full circle now just like our national parks
6 where we're destroying the places that we love. We need more
7 information and in the interim a precautionary approach to be adopted to
8 protect critical marine resources.

9 Industry has made many technological and policy
10 improvements in waste reduction, in increased recycling and in advanced
11 treatment systems.

12 But as noted by the recent report by the General Accounting
13 Office much more progress needs to be made to improve government
14 oversight, to establish better standards for monitoring of sewage and
15 gray water discharges; and to improve monitoring enforcement of
16 existing laws, and to follow up on foreign flag ship violations which
17 enforcement has virtually stopped since 1995.

18 We have some various recommendations that are listed inside
19 the petition. Basically we would like to see the waste streams for oil,
20 solid waste, sewage, gray water, hazardous waste, and an end of invasive
21 species qualified.

22 We need to know what's going into the water. It's great to
23 say that we're doing the best we can to establish new technology, but
24 that does not offset the need to know what is going into the nation's
25 waters.

26 We need to rethink the sewage, gray water, and ballast water
27 exceptions or exemptions under existing federal regulations. Voluntarily
28 self-monitoring is not an acceptable alternative to mandatory record
29 keeping, reporting, and other verifiable compliance mechanisms that
30 worked successfully for almost 30 years under the Clean Water Act.

31 We regulate small cities, and they're required to disclose
32 what they're discharging into our nation's waters. And here we have
33 these floating cities that are basically, according to EPA regulations,
34 exempt from a number of different requirements.

35 We also need to focus on protecting special areas,
36 ecologically sensitive and marine areas such as coral reefs, marine
37 protected area, the Florida Keys National Marine Sanctuary which cruise

1 ships are attracted through no discharge and restrictive access zones.
2 We need to look hard at restricted access to these areas, and no
3 discharge areas.

4 Finally, we believe that more government resources are
5 needed to improve standards and monitoring of waste discharges, conduct
6 water volume sampling programs, inspect sewage treatment systems, and
7 to conduct surveillance and enforcement efforts, and to refer and
8 follow-up on foreign flag ship violations.

9 Again, we thank you for the opportunity to provide these
10 comments and look forward to seeing your work product on this. Thank
11 you.

12 **MR. CRAIG VOGT:** Nancy Lee then Ted
13 Thompson and then Michelle Paige.

14 **MS. NANCY LEE:** Hi, my name is Nancy Lee
15 and I'm on the Board of the Sierra Club, Miami Group. I am not talking
16 from the standpoint of the Sierra Club this afternoon. I am not prepared
17 to comment because we didn't even know about this hearing. We heard
18 about it through the Surfers, and we didn't know about it. No one knew
19 about it.

20 Also Jerry Cohen said, "No environmental organization was
21 contacted by the Department of Environmental Protection or the Florida
22 Caribbean Cruise Association to comment on the MOU. Nor was there
23 any environmental organization asked to participate in the creation of the
24 Memorandum. If Florida's environmental community had been involved
25 in this process no credible environmental organization would have
26 endorsed this Memorandum."

27 So I just want to say I knew nothing about this
28 Memorandum. And as a member of the environmental community.
29 When I heard about this hearing, I did a public information request of
30 the Department of Justice, the EPA, DEP, and DERM and I am still
31 waiting on a lot of these, and also the Coast Guard. And the Coast
32 Guard has just gotten back to me, but they said they're getting back to
33 me, but they haven't been able to get back to me yet. So in any
34 event I am going to read one thing. This is one of the problems. None
35 of these groups know what the other group is doing. This letter went to
36 the DEP and I did a freedom of information request from DEP and they
37 sent me this. They knew about it. So I really think that's a big

1 problem. No one, the left hand doesn't know what the right hand is
2 doing.

3 This is an inter-office memorandum from DERM. I hate
4 reading it, but I am going to have to. This is a Port of Miami, Slender
5 of the Seas discharge of anti-fouling paint into tidal waters of
6 Miami-Dade County.

7 "While conducting routine inspections in Biscayne Bay on
8 April 21, 2000, Cynthia Guerra and I received a request to respond to a
9 complaint at the Port of Miami. This complaint involved Royal
10 Caribbean Cruise Line conducting bow scraping activities on a vessel
11 that was moored at the port.

12 "This activity was reportedly causing a water quality
13 problem as a result of the anti-fouling paint being discharged into tidal
14 waters.

15 "We arrived at the site at approximately 11:25 a.m., and
16 noted that there was an orange-red film on the north side of the vessel.
17 The tide was coming in and therefore the plume was drifting to the west
18 along the side of the ship.

19 "Although, there was a reddish frothy substance on the
20 surface of the plume the majority of the plume appeared to be
21 subsurface. One sample was taken with an available jar.

22 "Upon contacting Joanne Clingerman via radio we waited
23 until she had notified the contact on the ship. Joanne had informed him
24 that the work that they were conducting could not be conducted in the
25 tidal waters of the county.

26 "As a result of this conversation a verbal cease and desist
27 was issued to Royal Caribbean Cruise Lines. While on site we noted
28 that there was a Miami divers truck located on the upper and adjacent
29 vessel. We witnessed two divers exit the water using a ladder, which
30 was then removed from the water.

31 "A short time later the divers went back into the water.
32 Although, I did not witness the divers get back in. While on site I
33 spoke with the contract person from Royal Caribbean Cruise Line and
34 reiterated that the work that was being done can't be done in tidal
35 waters.

36 "He stated that this was standard procedure for the cruise
37 line, and that they had never been stopped from doing this type of

1 activity before. I assured him that had DERM known that this was being
2 done they would have been stopped before.

3 "He informed me that he had the material safety brochures
4 for the paint and that he was going to fax it to Joanne. He stated
5 further that the anti-fouling paint that they use is non-toxic.

6 "Since we did not have any samples on the boat at the time
7 we contacted the compliance section in order for samples to be taken.
8 Eric Street sent a team to collect a sample. As we were waiting on site
9 Jose Diaz arrived via boat and agreed to stay on the site until Eric
10 Street came to do the sample.

11 "Photographs were taken of the site. Please also find the tag
12 for laboratory analysis sheet of the sample that was collected. The
13 copper level was 132 micrograms per liter. The state standard for
14 copper is 2.9 micrograms per liter."

15 Okay, and then a letter went out to DEP and DERM and
16 whatever this went out to the State, and to the person at Royal
17 Caribbean. And in it there's one line that I want to read. "We believe
18 the Memorandum of Understanding between the Florida Department DEP
19 and the cruise line industry as you suggested which reveal that the MOU
20 does not address this type of activity."

21 So I personally am not here as a Sierra Club board member.
22 And again, self-regulation and MOU has to be revisited for the Florida
23 Department of Protection.

24 **MR. CRAIG VOGT:** Thank you very much. I
25 believe Ted Thompson is next.

26 **MR. TED THOMPSON:** Thank you. On behalf
27 of all the members of the International Council and Cruise Lines, I'd like
28 to thank the Environmental Protection Agency for the opportunity to
29 make a statement at this public meeting regarding waste management
30 practices on large cruise ships.

31 My name is Ted Thompson. I'm the Executive
32 Vice-President of the International Council of Cruise Lines which is an
33 industry trade association based in Arlington, Virginia. We represent 16
34 companies that carry approximately 85 percent of the North American
35 Overnight International Pleasure Voyage Traffic.

36 Several of our members are dominant companies in the
37 Alaskan market. Several operate ships in California and almost all

1 operate vessels in the Caribbean market from ports in the southeastern
2 United States.

3 Additionally, vessels operated by members of the
4 International Council of Cruise Lines call at over 300 ports worldwide.
5 Ours is truly a global industry. ICCO members vessels are not U.S.
6 flagged. Tim Protheroe mentioned several of the flags. We also flag
7 our vessels in the United Kingdom, in Norway, and in the Netherlands to
8 name a few.

9 However, while operating in United States waters all of our
10 vessels must comply with the United States environmental laws.
11 Additionally, all of our members must meet all of the international
12 regulations for both the environment and for the safety of life at sea.

13 To those of you who are familiar with SOLAS, MARPOL,
14 and ISM the International Safety Management Code that has been
15 discussed here, and STCW, the International Convention on the standards
16 of training, safety standards of certification and watch keeping for
17 seafarers you know that these protocols set out benchmarks for
18 environmental and safety standards throughout the world.

19 In fact, these international conventions to which the United
20 States is signatory have been adopted into the fabric of U.S. Maritime
21 Regulatory System.

22 As a business that is dependent on carrying passengers to
23 beautiful locations where these same passengers can experience nature's
24 bounty our membership recognizes that even the perception that the
25 industry is not meeting U.S. or International standards is damaging to
26 our image and therefore our business prospects.

27 It's been stated that our vessels are cities on the sea or
28 seagoing cities. I'm not sure that I would go that far that they are
29 floating cities, but I would more liken them to floating resorts as
30 opposed to cities.

31 My point is however, that we do have the opportunity to
32 control our waste streams probably in a better than most small towns and
33 cities do. And we do maintain that control.

34 So with these two realities in mind that we can control our
35 waste streams, and that our passengers want to go to protected and clean
36 areas with these realities in mind the cruise industry has pro-actively
37 established guidelines regarding the environmental practices, crime

1 reporting, gaming, safety and labor practices, medical treatment, and
2 each of the lines have agreed to adhere to these.

3 Our voluntariness meets or exceeds all the requirements of
4 the law of the United States. Worthy of note here is our environmental
5 waste management practices that our members agreed to last year.

6 Our members have endorsed policy goals based on several
7 fundamental principles. And that is: Full compliance with all applicable
8 laws and regulations, maintaining a cooperative relationships with
9 regulatory communities, designing our ships to be environmental
10 friendly, embracing new technologies and managing water discharges to
11 name a few.

12 This cruise industry waste management practices and
13 procedures forms the basis for the Memorandum of Understanding
14 between the State of Florida, our sister association the Florida-Caribbean
15 Cruise Association, and has been utilized in discussions with federal
16 agencies: The Coast Guard, the EPA, Alaska DEC, the legislators in
17 Washington, Alaska and California.

18 As technology develops we will adopt additional
19 self-imposed environmental standards that will be incorporated into this
20 document. I think it's important to realize or for you to know that in
21 adopting these voluntary guidelines they become a part of the
22 International Safety and Management Code SMS that Tim Protheroe was
23 talking about.

24 Therefore, although we say they're voluntary once they ever
25 been adopted into our system they are essentially mandatory. As you
26 heard Tim say those systems are audited internally and externally and
27 are subject to oversight by the flag states and the port states, such as the
28 United States Coast Guard, and each of the equivalent type port states in
29 the 300 ports that we visit.

30 If we are not complying with our voluntary guidelines that
31 have been adopted into our ship management systems, safety management
32 systems, then we are not in compliance with our ISM documents and
33 those documents are subject to being withdrawn, and if we don't have an
34 ISM document we don't operate.

35 So while we say they're voluntary guidelines they in effect
36 become mandatory. These industry guidelines, the ones I'm talking about
37 here are other the ones we've adopted. They can be found at our

1 internet address www.iccl.org. We also have, if we haven't got it up
2 already a copy of this statement that I am presenting today that would be
3 at that web site.

4 An overview of the cruise waste management practices and
5 procedures is found at the end of this paper and I've put 20 extra copies
6 on the back if anybody is interested.

7 Now, keeping in mind our commitment to seek and
8 incorporate new technologies several ICCO members have committed an
9 excess of a million dollars a piece to field test gray water treatment
10 systems. These test systems were fully developed and proven and are
11 expected to remove sediments that appear in gray water streams to the
12 point that the output is essentially clean water.

13 Other research that our members are undertaking include
14 plasma in incinerators, and printing, photo processing, and dry cleaning
15 without hazardous waste residues. Despite what we just heard our
16 members are now starting to use and apply non-TBT based paints even
17 though the phaseout for those paints is 2003.

18 In response to the question of what impact gray water and
19 treated black water have on the environment ICCO undertook a study
20 with Ann Rosenblatt and Sons to evaluate the dispersion of waste water
21 and suspended solids and invading substances as it's discharged in the
22 sea. The complete analysis should be up on our web site probably by
23 tomorrow, hopefully this afternoon, but probably by tomorrow.

24 These extensive pollution calculations show the discharges
25 are diluted by a factor of approximately 44,500 if a vessel is traveling at
26 four knots. And the dilution factor improves to about 111,000 when a
27 vessel is traveling at 11 knots.

28 This is based strictly on initial mixing concepts and do not
29 take into consideration additional description effects afforded by a
30 vessel's wake, tidal, and current actions and the additional dispersion is
31 expected to be as much as three to five orders of magnitude. That is
32 another 1,000 to 100,000 times more.

33 Now, a few days ago in Alaska one of the gentlemen stood
34 up and said we're involved in a bait and switch. First we say we're
35 going to develop these systems that clean up the gray water and next we
36 turn around and say we're relying on dispersion.

37 This is not either/or the industry is going ahead with gray

1 water treatment systems that they expect to be able to install on these
2 ships once the technology has been proven, but in meantime, we were
3 asked to demonstrate what type of impact the discharge of gray water
4 may have in certain environments.

5 Based on these dispersion calculations which, are admittedly
6 are not rocket science at this point, we believe that with the confines of
7 the available data and the assumptions made by the study that the
8 analysis demonstrates that gray water dispersed in constituent
9 concentrations are very low.

10 It's a strong indication that the concentration of the diluted
11 constituents will be well below specified water criteria. We did not
12 include cumulative effect analysis in this study. That wasn't part of it.
13 However, we believe that that would be shown to be very low also.

14 If you look at the point source discharges in Alaska from the
15 various cities and towns, as well as from the cities and towns in the
16 United States, we feel that the point source cumulative effect to be
17 estimated from these point source discharges.

18 And in general I haven't heard any great discussion that it's
19 a large concern. Although, I do read that Boston just moved their
20 discharge pipe out to 10 or 13 miles.

21 What else are we doing? Mr. Vogt said that he talked with
22 Mr. Anderson. The industry, and the EPA, and the Coast Guard are
23 working together to come up with a water sampling protocol for both
24 Alaska and the Caribbean for this winter and next season to be able to
25 go out and actually sample water after a cruise ship has passed.

26 With a known overboard discharge we will take samples on
27 board the ship while it's being discharged, and the research vessel will
28 take samples of the water after it's passed.

29 We expect that this program will yield results in the use of
30 evaluating actual effects of cruise ship waste water discharges.

31 Last December the cruise industry agreed to support
32 legislation that would single out cruise ships for very significant
33 operating restrictions and penalties. We did this for a reason.

34 Number one, because we welcome the opportunity to
35 demonstrate that we are adhering to the practices that we say we're
36 adhering to, and we're a responsible industry that cares about the
37 environment, but number two, even though this law is a new law, it's

1 going to codify what we're already doing.

2 We're already agreeing not to discharge unless our vessels
3 are underway. We're already agreeing to discharge while vessel are
4 underway at six knots. This codifies practices that we are already
5 implementing not only here in the United States, but around the world.

6 We don't know of any other segment of the maritime
7 industry that would be willing or able to meet these types of standards.
8 We've talked about the petition from Bluewater Network here.

9 Recently, we've had several meetings with the Environmental
10 Protection Agency both in Washington, and we had a joint industry
11 government agency meeting in Yorktown, Virginia with the United States
12 Coast Guard. We have offered to the EPA the opportunity to review our
13 safety management system booklets that will be made available to them
14 and we are getting those in Washington for your review.

15 In December of '99 the Commissioner of Alaska Department
16 of Environmental Conservation started a forum in Alaska to thoroughly
17 review cruise industry waste management disposal practices and publicly
18 discuss what is currently being done and what should be done to improve
19 the situation. There are a lot of benefits from this.

20 But one of the things came out of it is a waste sampling and
21 laboratory testing. And the whole process is going to look at quantity of
22 discharges, what these discharge waste waters are constituted of, what
23 materials are in them.

24 And as I said, we've already done some waste dispersion
25 analysis. We've already some had significant unexpected results
26 indicating that marine sanitation devises may need a lot more attention
27 than people previously recognized.

28 When I was a Coast Guard inspector we used to go down
29 and look at the tags and say, yes it's the marine sanitation devise type
30 two. Let me see if the pumps work, let me see if the bells and whistles
31 work and if they do assume it was all right. Indications are that it takes
32 a little bit more attention than that to make these things work properly
33 and I think the Coast Guard may even be going back and looking at the
34 certification process.

35 From the outset it appears that it might be an industry wide
36 issue with the MSD so not just the pollution issue. Let me say that the
37 International Council of Cruise Lines together with our sister agency, as

1 I mentioned, FCCA as well as the Northwest Cruise Ship Association are
2 dedicated to responsible environmental management and protection of our
3 resources.

4 We are committed to working in partnership with the
5 Environmental Protection Agency, the United States Coast Guard, other
6 federal agency, state agencies, and public environmental advocacy groups
7 such as the Center for Marine Conservation, and the Bluewater Network
8 to find productive solutions to the very real issues that confront us all
9 on a daily basis.

10 Let's not kid ourselves, there are some issues out here that
11 need to be dealt with. Some of them may be more significant than
12 others. But there are issues that we have to deal with, and we have to
13 do it on a partnership type basis, and I welcome the opportunity to do
14 that and I thank you for this opportunity to talk with you today.

15 **MR. CRAIG VOGT:** Thank you. Michelle.

16 **MS. MICHELLE PAIGE:** My name is Michelle
17 Paige and I have the pleasure of being the president of the
18 Florida-Caribbean Cruise Association. We're a trade association that
19 represents 14 cruise lines in the State of Florida. We work with the
20 government and private sectors of Mexico, Central America, Latin
21 America, South America and of course the Caribbean.

22 The FCCA was created in 1972 to balance an understanding
23 of the cruise industry and work with our partners in the area of, but not
24 limited to port development, tourism development, infrastructure
25 development, safety, security, and legislation.

26 The cruise industry has worked with some partners in this
27 room. Center of Marine Conservation we've teamed on several projects.
28 Hopefully we'll be able to work on many many things in the future.

29 The EPA and I'd like to highlight the very pro-active
30 relationship that we have with the Department of Environmental
31 Protection, and of course, the MOI. It was a pro-active activity to be
32 able to showcase what the cruise industry is doing and where we should
33 be going.

34 It is to underlie the need and to be able to in a pro-active
35 sense showcase what we're doing and what we need to do. And I think
36 that Satish underlined it the best. This is a work in progress. This is
37 not going to end with the signing in March. There's several copies that

1 Jim was kind enough to make for us in case you want to take one home
2 with you.

3 I'd like to also highlight the good works of our sister
4 organization ICCL International Council of Cruise Lines who do all the
5 technical work. They have the expertise. We team up whenever
6 possible. We work whenever we can with anyone. Any organization.

7 We have worked in the past with the Navy. The Navy has
8 very unique problems from the cruise lines because they can't incinerate
9 on board. So they have to come up with more pro-active ingredients to
10 be able to recycle, minimize, and whenever we can we adapt.

11 In addition, we participate as a member of the Marine
12 Protection Association in Greece. We do beach cleanups in the
13 Caribbean. Why? Not because you our crew likes to get off the ship
14 and clean beaches it's because it's good practice. It involves us in the
15 community, and it showcases that the cruise industry is committed to the
16 environment.

17 And I would like to submit for the record, anybody who
18 would like a copy, showcases what's on board the ships. If you haven't
19 been on board a ship and you have derogatory comments about what goes
20 on, I'd like you to look at this. Because it showcase that the cruise
21 industry spends millions of dollars. Millions of dollars in equipment.
22 Millions of dollars in training. Why?

23 I'd like to read to you our sister organization in the
24 Caribbean, the Caribbean Tourist Organization did a study of impact of
25 tourism on the marine environment of the Caribbean with special
26 reference to cruise and other types of marine based tourism. This was
27 paid for by the European Union.

28 In the executive summary it states: "This study has found
29 little evidence to indicate that illegal dumping or ship generated waste is
30 a common practice. In fact, what this study has found that the cruise,
31 tourism industry and individual cruise lines are very conscious of the
32 negative image that has followed them because of the illegal disposal of
33 ship generated waste in the marine environment.

34 "Apologizing for such earlier practices they're making a
35 concerted effort to manage their waste in conformity with international
36 standards. Many cruise ships are being built with state-of-the-art
37 processing facilities for treating their waste.

1 "These include incinerators, compactors, bailers, and glass
2 crushers. Older vessels are being retrofitted with similar equipment to
3 treat their refuge. In addition, cruise ships have embarked on extensive
4 training programs for staff, processing, and handling of waste.

5 "They have also developed and circulated information
6 packages to notify both passengers and crew of the need to minimize
7 waste and refrain from illegal disposal of waste overboard."

8 Because it's good business. It's because it's where the cruise
9 industry does its business. I can't say it better than what is said here.

10

11 "Cruise tourism like its land based counterpart is essentially
12 dependent on environmental resources of a region for its continued
13 success. These include: Clean oceans, beautiful beaches, warm sunny
14 climate, beautiful landscapes, culture diversified, and unspoiled natural
15 environment."

16 I thank you very much for this opportunity.

17 **MR. CRAIG VOGT:** Dan Siren, then Randy
18 Cordry will be next.

19 **MR. DAN SIREN:** Who has a boat here?
20 Small boat? Okay. Well, my name is Dan Siren and I'm with the
21 International Paint Company. Of course, if you have a boat, you keep
22 the boat in the water you know you have to keep the marine growth off
23 the bottom. Is that right?

24 So that's our business to keep marine growth off the bottom.

25

26 International Paint we're a part of the AKZO Nobel Group
27 which is the largest marine manufacturer in the world. We are involved
28 in bottom compositions, topside compositions, which include water based
29 coatings. We supply paint for gray water tanks, ballast tanks. We
30 supply paint and instruction in all the major shipyards of the world. We
31 are factories throughout the world including China, a lot of the other
32 countries in the Far East.

33 Most of the cruise companies today because we're talking
34 mostly about the cruise companies, most of the cruise companies today
35 are going to continue tin-free type anti-fouling paints.

36 Whereas, 25 years ago most of the industry was using TBT
37 type paints. And the reason why TBT type paint was popular because it

1 -- not just to the cruise companies, but any major ship owner could
2 operate and use less fuel because it kept off the marine growth.

3 But of course, we found and we are one of the first
4 companies to do a lot of studying on it, we found that if you have a
5 large number of boats that are sitting in a marina there's a possibility
6 that you would have effect on the marine life.

7 So with that in mind, about 10 or 15 years ago we started
8 developing non-TBT type anti-fouling paints. And as I have said, most
9 of the cruise industry is now on their way of using those types of paint.
10 In fact, the cargo ships that are coming out of our new building will be
11 using our non-TBT type paint.

12 The Millennium ships in France, in Germany will be using
13 our powerplasty which in the process of trying to register right now with
14 EPA and with the VOC. These are all non-TBT type paints.

15 Of course, the greatest thing that we now have is, I shouldn't
16 really bring this up, we have a lot of information on it and I'm sorry on
17 short notice, but biocide free-type coat which is called Intersleak.

18 I should mention that the next NCL ship which is being built
19 will coat the bottom with Intersleak. We put a panel on Voyager of the
20 Seas, I believe the Anderson is coated with paint. I have some
21 documentation which you can pick up later. The bottom after 31 months
22 just show slime on the bottom. No barnacles. No grass.

23 The Nautilus was in done in 1996 and she redrafted in April
24 of 2000 and all that was on the bottom of the vessel was slime. Also
25 would like to mention at this time probably Carnival Cruise Line will
26 put this type of coating on the bottom of his boat.

27 So in closing, we very a lot of information and unless you
28 think it's interesting, in closing I'd like to thank you all for allowing us
29 to come here. Cruise company friends, and we will be striving to go
30 with all the environmental type coatings as Ted indicated. Thank you
31 very.

32 **MR. RANDY CORDRY:** Good afternoon. I'm
33 Randy Cordry with Brown and Farris Industries. BFI provides removal
34 solid wastes, USDA recycling medical waste removal for several cruise
35 lines.

36 One of our most profitable is Carnival Cruise Lines that
37 we're been providing services in the Miami area since 1995. We

1 currently service locations in Port Everglades, Port Canaveral, Port of
2 Tampa, San Juan, New York, Boston, West Coast, LA, San Diego, and
3 Vancouver.

4 BFI has a very detailed waste and recycling policies and
5 procedures that is outlined and all the due diligent procedures that we
6 have with certain cruise lines, and at all BFI facilities in county or city
7 run facilities where the waste is handled throughout the county.

8 These waste streams BFI handles has specific a handling
9 container and transported by permitted and licensed vehicles to specific
10 waste facilities. Each waste stream has a documented trail or manifest
11 that is kept for specific record keeping.

12 BFI full compliance agreements are in all facilities
13 throughout the country. We have trained the personnel to transport and
14 handle this specific waste stream. BFI currently provides waste
15 recycling services for Holland America, Cunard, RCCL, U.S. Naval
16 ships, U.S. Coast Guard, Celebrity, and Costa Cruise Lines. Thank you.

17 **MR. CRAIG VOGT:** Thank you. All right,
18 I've got a request that two speaker in this series Kevin Gilbert, are you
19 here. And then Tracy DePaul, if you could come up, please.

20 **MR. KEVIN GILBERT:** Thank you. Again,
21 late notice. We weren't quite certain of the forum, but I felt it
22 beneficial to perhaps give the audience a touch of what my company
23 does.

24 Again, my name is Kevin Gilbert. I work for the Group
25 Marine Division of Ashland Specialty Chemical. We are the people at
26 the head of the waste stream. And our chemicals are used not only in
27 the cruise industry, but in shipping worldwide.

28 We're located, as I believe Dan Siren indicated with his
29 company, in a worldwide effort to provide environmentally friendly, and
30 more safe products throughout the industry, and to continue to improve
31 the process so that we can chemical products that are definitely required
32 on board ships go in their processes with an improved efficacy and
33 environmental safety record.

34 We are probably one of the leading suppliers in the industry,
35 and we're working in concert with our partnership alliance companies
36 like Royal Caribbean, like Carnival, like Renaissance. Basically all of
37 the cruise line sector to work in a closer alliance to improve the process

1 of chemical use on board ships.

2 Some examples of this in the waste treatment streams
3 specifically historically hazardous and harmful acids were used to
4 maintain these systems in a scale free and odor free situation. We're
5 going to biological treatments which have much less impact on the
6 environment and much greater efficacy as well.

7 In conjunction with this Ashland Specialty Chemical is one
8 of the largest worldwide suppliers with specialty chemicals in the
9 industry. And part of that we get piggyback on board of them, they
10 have a 92 member environmental health and safety department that works
11 with the CMA, the Chemical Manufacturers Association, and we are a
12 charter member of that organization.

13 It is our goal through a process that we call responsible
14 care, and I believe one of the other speakers it might have been Beth
15 Freese, had indicated that there are other avenues out there than 14,001.

16 We, in particular, use responsible care in this initiative. It's
17 a six part process whereby we continually look to improve environmental
18 impact and long term waste stream effects of the products that are used
19 in the industry.

20 One other important factor that Ashland Specialty Chemical
21 provides through the Marine Division is on board and shoreside training.
22 Again, as a few of the speakers mentioned, it's not just the products, it's
23 not just the technology, but it's the people using them.

24 We find that through ongoing training and proper use of
25 chemical, and many of the things we supply are dangerous and hazardous
26 products by necessity, but that in effect the overall is an improvement
27 upon the environment that a system operated without chemicals is. That
28 we can in effect take these nationalities from all over the world and
29 simplify the processes so that the end product is an overall improved
30 waste stream.

31 And again, we do this through ship board and shoreside
32 ongoing training, and continual product improvement, and we look
33 forward to working with the cruise industry for as many years as
34 chemicals are necessary in this world.

35 I believe we just wanted to take a moment to especially to
36 introduce ourselves to the persons, perhaps not the cruise side, because
37 most of them know us, but to perhaps some of the environmental people

1 out there that all the chemical people aren't bad people.

2 We're out here to make our environment better through the
3 effective and efficient use of chemistry. And we have taken large steps
4 in inventory reduction systems, waste stream management programs.

5 Just a few years ago, and it was mostly due to ignorance, we
6 didn't realize, we as a society did not realize, the environmental impact
7 of few ships and there's about 3,000 ships out there that impact the
8 world seas of any significant size.

9 We didn't realize the impact on the environment. Since that,
10 we've come about and we've got better data Ashland has taken a bold
11 step to reducing some of the common products used, solvents are almost
12 nonexistent in our industry today due to work especially with cruise
13 lines.

14 The cruise lines tends to be the pentacle of the industry.
15 They're the trend setters, and we use them often as a launching ground
16 or platform for our new and innovative products.

17 Just recently we develop our 2000 series, recently, five years
18 ago, removing all hazardous CFCs and solvents from these new
19 compounds. What that means to the environment is that the products in
20 use still do the cleaning, they can prevent raw oily and greases from
21 entering the waste stream. Doing it in a biodegradable and ecological
22 fashion.

23 We are also working closely with some the equipment
24 manufacturers realizing that there are new opportunities and that perhaps
25 old chemical solutions can be automated mechanically or physically with
26 new chemistry.

27 As an example, and I believe it was mentioned here the gray
28 water systems using different types of equipments such as flocculents,
29 filtration, reverse osmosis unit as well as.

30 It was mentioned specifically about oily water waste removal
31 and using a mechanical chemical process where the older filtration
32 coalescing membranes systems used to get discharged in the area of five
33 to ten parts per million. The new mechanical chemical systems, these
34 flocculent systems are down to zero ppm discharge.

35 Again, I just thought it would necessary to indicate to some
36 of the folks that aren't familiar with our industry that we are out
37 improving our environment. We live here too. Thank you for your time.

1 **MR. CRAIG VOGT:** Thank you. Next Tracy
2 DePaul. Then we have four more speakers after that have signed up. So
3 then we will ask if anyone else wants to make a follow up statements,
4 but don't leave because we're all here.

5 **MS. TRACY DEPAUL:** My name is Tracy
6 DePaul. I am here on behalf Carnival Cruise Lines as a third party
7 vendor. Again, this is also last minute, so there's no speech here.

8 I had a chance to review the Bluewater Network Petition,
9 and I'm glad to say that Carnival Cruise Lines has hazardous waste
10 recycling of the florescent lamp and the batteries and also monitoring
11 pertaining to that. They have been recycling their lamps and batteries
12 with us since March of 1999.

13 Susan is their fleet operations person that she has audited all
14 the facilities throughout the United States that we have, which are in
15 California also in Florida here, and also in Pennsylvania, and we have
16 been working with Carnival Cruise Lines all their ships and they have
17 been recycling their materials.

18 The process of what they go through when the ships do dock
19 is we have routine pick ups with them. And when they dock we come
20 out there and we pick up their waste streams and we do the full
21 recycling of them.

22 I do have with me process descriptions on how we do
23 recycling, what we do with all the waste streams. I leave that with you.
24 I am not going to go into detail with it. We also have say web site if
25 you like you can write it down see what our company does. It's
26 www.aerc-mti.com.

27 So you can look at it on the web site and see what we do
28 with the materials. That's basically all I have to say.

29 **MR. CRAIG VOGT:** Thank you. Larry Doral
30 and Elaine Heldewier, and Nancy Wheatley, and Kira Schmidt.

31 **MR. LARRY DORAL:** My name is Larry
32 Doral. I'm the Executive Vice-President of Cliff Barry an environmental
33 services company here in the South Florida area. By way of history I
34 used to be Captain of the Port here in Miami and I've been in the Coast
35 Guard 23, 24 years before I retired and took this job with Cliff Barry.

36 Cliff Barry Incorporated, for those of you that don't know
37 from asking, it's the largest environmental services company in the

1 south. We have a fully permitted industrial waste water pretreatment
2 plant here in Miami. We service all of the cruise lines either directly
3 which is our personnel and our people or I indirectly through a third
4 party.

5 By that I mean, we service Carnival, Holland American Line,
6 Norwegian, the other major cruise lines personally. And we also service
7 RCCL, Princess, Celebrity through the other vendors that collect their
8 waste waters and their bilge waters.

9 We have that treatment system in Miami is the only
10 treatment system that absolutely certified to operate in Miami as we do.
11 We processed over 25 million gallons of oil and oily waste water last
12 year. The majority of that came from the cruise industry. A lot of it
13 came from used motor oil.

14 I can give you an example, last week, last weekend we took
15 off over 300,000 gallons of oily water from one vessel. And that's same
16 vessel discharged an additional approximately 116,000 of gray water.
17 That is in one port of call. Now, to be sure and I don't want everybody
18 to gasp out there, we don't do that every weekend. But it speaks to the
19 issue of the quantities of water that come in periodically.

20 I can speak with respect to the processes that we do. Each
21 time we go down to a vessel and take any oily water off the vessel that's
22 considered a marine cargo transfer and it's regulated by the Coast Guard.

23 The mobile transfer of the facility that goes down has to be
24 looked at by the Coast Guard. We have a declaration and inspection
25 which is a Coast Guard form which is filled out for each transfer.

26 And in addition to that, our company's policy is to have an
27 internal check list which in turn identifies each vessel that we have
28 service, the various ports of call that they're in, and the berth that
29 they're in to ensure that all the safety and the preventative measures for
30 that particular vessel at that berth are addressed in the declaration of
31 inspection.

32 This would include our trucks on the docks. We have a load
33 on top policy and we've developed, for purposes of the court reporter
34 here, the technical term in the adapter/kanapter. It allows us to hook
35 our vessels, the vessel's oily water and oily discharge into the trucks in
36 a fixed connection to the camplock fitting.

37 With respect to policies that are known to me, I know that

1 we service RCCL and their gray water. I can tell you that they take a
2 very strong interest in their gray water.

3 We recently had a situation where we were down there
4 taking the gray water off their vessel and, as you've talking about gray
5 water all day today, you know what it is, there was a drip from one of
6 the valves in the belly on one of the trucks, and the next day the
7 president of the company and myself were down in front of an
8 inquisition, no pun intended, and got berated because we had a dropped
9 of gray water that was coming out. It was in containment.

10 The hard thing I had to do that day was get my folks, the
11 people that service these vessels, to realize the intense interest that these
12 cruise lines have in gray water and the management of it, even though
13 it's not regulation. That's just a good example.

14 All of our sites have been surveyed by all the cruise lines
15 that deal with us. They've done their due diligence and that includes
16 our facilities in addition to the facilities that we use in the downstream
17 waste.

18 I have some numbers here. On average, I think that's
19 important to know, in this year, let me give you an example here. Up
20 until July of this year, that includes January through July, we have taken
21 3,661,000 of oily waste water off of Carnival ships alone.

22 That includes the Destiny, Ectasy, Fantasy, Imagination,
23 Jubilee, Paradise, Sensation, and Tropical. In addition to that, industrial
24 waste water. We ever taken off almost three quarters of a million
25 gallons of gray water in the first six months of the year alone. That's
26 just for one company.

27 So that's the thrust of the comments that I wanted to make.
28 Since we are the people to see all the oily water, and the gray water
29 from the majority of these vessels I thought it is appropriate to give you
30 the volumes and the tremendous care that goes on in handling the oil
31 and the water that comes off the vessels.

32 **MR. CRAIG VOGT:** All right, thank you.
33 Elaine Heldewier.

34 **MS. ELAINE HELDEWIER:** Thank you.
35 Elaine Heldewier from the cruise line for the environmental program.
36 And thank you for the opportunity to talk about our environmental
37 program and in a collaborative effort that we're doing in regard to the

1 environmental program.

2 You have heard about our vendors for the cruise lines how
3 they handle our waste streams. We have garbage management programs
4 on board. That's our waste management programs. That why we call it
5 garbage management plan. All the cruise lines have a garbage
6 management plan system on board. It's part of our SMS system. It's
7 internal regulations. That's the bible in terms of how we handle our
8 waste.

9 You have been provided by cruise lines some examples of
10 waste management plan and I have examples as well for Carnival
11 garbage management plan. Within that plan it defines all the waste
12 streams and how they're handled.

13 In addition, to that it has an extensive record keeping
14 process, all the logs in terms of each specific waste and when they're
15 discharged and the quantities that's all reported in the garbage plan
16 record which is on board the ship, and when the U.S. Coast Guard is
17 going to inspect that's for the record.

18 That's the types of the waste streams are going to be, and
19 that's how all the records are kept for the officers or anyone who wants
20 to know how much the waste is produced and generated in this ship.

21 As I said, earlier you have heard from different vendors for
22 that come on board our ships and take our waste. All the cruise lines go
23 through a rigorous due diligence where we audit vendors. We need to
24 know full circle, cradle to grave where the waste is generated, and how
25 it's treated. We treat some of the waste on board and some of the waste
26 is treated shoreside.

27 For the waste that is treated shoreside we do diligence we
28 go all over the U.S. depending on where the ships are located, the
29 companies that will take the waste. The facilities we get the records and
30 we want to make sure that the same process that we have on board to
31 handle our waste are carried through to shoreside facilities that we chose
32 to handle our waste.

33 So it's a complete circle. So whether it's from on board or
34 shore side the same system needs to be taken in place and that's all
35 defined in the garbage management system for us and all cruise lines.

36 I also want to talk about collaborative efforts that the cruise
37 line is doing in terms of environmental protection. We have

1 environmental round tables and this is an opportunity where we discuss
2 environmental issues on a one-on-one basis is a win/win opportunity for
3 all of us. It's not competitive.

4 We look at environmental issues as a global issue and then
5 where we input from each cruise line is beneficial for all. Not only for
6 the cruise line, but for the environment itself. What we can develop
7 within the cruise line can also be applied to other marine type industries.

8
9 So that's overall of what we're doing. Within the
10 environmental round tables we have had round tables for the past two
11 years. They've been held in Carnival's Cruise line office and also Royal
12 Caribbean's Office and I have copies for you for some of the
13 environmental round tables that we have done.

14 We as I said earlier, we discuss different environmental
15 topics. We have had for the last two of the environmental round tables
16 meeting with vendors to push them to develop better technologies for
17 treating our effluent, for gray water, for black water, and getting up to a
18 higher level way beyond what regulation is in right now.

19 We want to go way and above into standards that will allow
20 us to use our water internally for the ship and we want to recycle that
21 water so it's a comprehensive environmental program that looks at the
22 different aspects of the ship and its application.

23 In addition to the round table we also have programs for
24 community participation. You've heard earlier during the meeting
25 representative from NOAA, representative from University of Miami.
26 These are the types of research programs that are going on that cruise
27 lines are sponsoring.

28 We also have programs with academic association where they
29 do research using the ships as the sampling platforms where data can be
30 collected from the ship, in terms of water quality.

31 A lot is going to be driven from those studies. We also
32 have specific community participation within the port where we are. All
33 communities, all the ports that we go to. For instance, you heard from
34 the representative for Biscayne Bay Partnership what the cruise line is
35 doing to assist in that project.

36 With DERM specifically we have worked with a local
37 program every year. The community goes out and goes to the mangroves

1 and starts cleaning up the Bay. So those are types of examples of
2 programs that we're doing.

3 It looks at the whole impact of environmental programs. So
4 I am going to leave with you some of the information that I have in the
5 back, and you also have received some of this information from the other
6 two representatives as well. Thank you.

7 **MR. CRAIG VOGT:** All right, thank you.

8 **MS. NANCY WHEATLEY:** Good afternoon. I
9 will start as everyone has started and say I am pleased to be here today
10 and have an opportunity to talk. I'm going to talk a little bit about
11 Royal Caribbean which I feel some necessity to do based upon some of
12 the previous hearings and then I'm going to go to area where I'm more
13 comfortable which is talking as to regulatory issue about dirty water,
14 which I've done for quite a long time.

15 Let's start by talking about Royal Caribbean. Royal
16 Caribbean has not generally spoken up at hearings such as this and in
17 other forums because, in fact, the company was guilty of significant
18 violations of both U.S. and international law for activities that took
19 place in the mid '90s.

20 Those activities were before I joined the company and partly
21 responsible for the creation of the position that I now hold. At the time,
22 the company pled guilty, the president of the company Jack Williams
23 said that the actions that took place were wrong, they were inexcusable
24 and they should never have had happened. Those statements were true
25 when Royal Caribbean first pled guilty and those statements are true
26 today.

27 So I not want to be seen as an apologist for the past actions
28 of the company. And I don't think anyone in the company wants to try
29 and suggest that these actions were anything other than what they were
30 which was wrong.

31 The company has paid a significant fine and is subject to
32 continuing supervision by the court based upon those actions. But it is
33 important, I think, in this context -- let me just make one other point,
34 which is, as a result of these actions, and the fact that the Coast Guard
35 discovered them and brought them to the attention of the U.S. Attorney
36 Offices which led to the criminal prosecution, I think that that whole
37 process has provided a significant wake up call to the cruise industry.

1 Michelle Paige noted earlier that in the early '90s or
2 mid-90s, 1994 there was a report done on garbage dumping and solid
3 waste management essentially in the Caribbean. And there have been
4 issues that have been raised through the cruise industry done and that's
5 brought back about some change in practices.

6 I think the recent event, the events of the late-90s have
7 really alerted the industry to the fact that a clean environment is in fact
8 a part of our future. If the oceans are not a beautiful place to go we
9 don't have a business. We need to dedicate ourselves every day to being
10 sure that that happens.

11 We have changed, Royal Caribbean has done significant
12 changes in our operation. One of us was just talking about that we have
13 a significant waste management plan in place. It is also part of an
14 environmental compliance plan which is audited on a regular basis by an
15 external environmental auditor, and they report to a supervising company
16 and to the government.

17 I will also leave you with some literature. I think you've
18 probably already read it. You know Craig will share it.

19 We have a summary of our waste management plan and also
20 a 1999 environmental report which I will put in the record. I did want
21 to comment briefly on a couple of statements that were made. I
22 understand, although, I was not there in the Alaska and Los Angeles
23 hearings and then also comment on a house cleaning issue which came
24 up before.

25 I think it's important not to -- it's impossible to discuss and
26 to really understand what's going on with a particular incident and in a
27 public hearing forum like this. But I think it's also important to
28 remember that just because someone says something in a press release or
29 in public doesn't mean that you have all of the facts or that you
30 understand all that's going on.

31 I understand that there were some allegations about an
32 illegal discharge in San Francisco Harbor which was made Bluewater
33 Network. When we heard about that allegation, the company, which
34 takes all such comments very seriously, immediately began an
35 investigation of what possibly could have happened on the date in
36 question in San Francisco.

37 As a result of our investigation and a recreation of the event

1 we are convinced that what occurred on that day was that deck washing
2 was going on and that there was some soapy water that went into San
3 Francisco Harbor.

4 And I will tell you this, the soap used to wash the decks is
5 in fact biodegradable. I have seen pictures from the alleged incident in
6 San Francisco side by side with the recreation and I am reasonably
7 convinced that it was in fact soapy water which would not have been
8 illegal.

9 There's also been statements about a discharge in Haines. I
10 have asked to get information about that, in particular to get pictures,
11 those have not been provided to the company as yet.

12 As far as we can tell there was no discharge at all, never
13 mind an illegal discharge. There has been a problem with foaming in
14 the area of Haines and I think perhaps other parts of Alaska this
15 summer. It maybe winter and there may be some bacteria in the water.

16 There's no evidence, there's no conclusion of fact that there
17 was an illegal discharge. With respect the hull cleaning I think there's a
18 couple points that can be illustrated here.

19 First of all, the hull cleaning of vessels that are docked at
20 the Port of Miami is specifically allowed by the tariff for the Port of
21 Miami. And so this is an activity that was -- I don't know if anyone is
22 still doing it, but it has been regularly conducted at the Port of Miami
23 and Miami divers and they will tell you in the document that was read,
24 Miami Divers does conduct this activity regularly.

25 If the Splendor of the Seas was having her hull cleaned and
26 you might say why do you clean hulls when your ship's in the water.
27 Well, as a representative from the paint company noted if you have grass
28 or barnacles on the bottom of your ship or your boat it doesn't perform
29 as well. It doesn't move as fast. And the Splendor was about to go
30 from the U.S. over to Europe for her summer stay and so the hull was
31 being cleaned.

32 When the authorities came by and said that there might be a
33 problem with the activity, the activity was in fact stopped and Royal
34 Caribbean has told them that we will not be doing any hull cleaning in
35 the Port of Miami.

36 As a result of that there was some confusion about whether
37 this might be covered by the MOU State of Florida. I don't think it's

1 covered by the MOU State of Florida and never did. And as a result of
2 the question about what happens with water quality it has gone to the
3 DEP and we're discussing with DEP how to do this.

4 I personally think there's a couple of lessons here. One is
5 that I think that as a representative of CMEC commented that regulations
6 need to be clear and the law needs to be clear and I think that's one of
7 the things we can get out of this proceeding is some clarity, because
8 there are conflicts between different agencies and just in terms of how to
9 interpret specific regulations.

10 So with respect to the Port of Miami, this was an allowed
11 activity. The second thing is -- let me go on and talk a little bit more
12 about some of the things that Royal Caribbean has done. I haven't seen
13 Ellen Prager talk before, but she's obviously very excited about the
14 ocean lab.

15 Royal Caribbean has an ocean fund which has provided
16 funding for a number of maritime related projects. We've provided over
17 \$3 million of funding for marine related projects. That doesn't include
18 the cost of the ocean lab and as Ellen said the cost of that facility and
19 the cost of this operation is being shared by the University of Miami,
20 NOAA, and I think EPA has some funding in there and also Royal
21 Caribbean.

22 We are very excited about that because it does provide an
23 opportunity to do scientific research which really doesn't exist anywhere
24 in the world at this point because of the regular track around the
25 Caribbean.

26 Other projects that we funded include an annual beach
27 cleanup which is coming up this Saturday. I am sure you can get
28 information about where to show up if you want to clean up one of the
29 greater Miami beaches.

30 We have also funded the Conservation Model Community
31 Program which does clean up and education in a number Caribbean
32 communities. Because trash in the ocean is a really important issue to
33 address and CMC has some very good programs to do that.

34 We've funded teacher training in Florida, the Nature
35 Conservancy does a lot of work in the Florida Everglades. We have
36 provided funding there. The Marine Stewardship Council which is an
37 offshoot of the World Wildlife Fund has done sustainable fisheries

1 certification program.

2 So if you buy Alaska salmon now and you see a little
3 friendly fish symbol on the Alaska salmon where it is being sold you
4 know you're purchasing from a fishery that has been certified as
5 sustainable.

6 We have funded the Audubon's Living Oceans campaign. We
7 have funded coral reef work for the World Wildlife Fund, and a number
8 of other organizations. We have funded small projects in the \$15,000 to
9 \$100,000 range that supports sea turtle research; eco-camps opportunities
10 for kids in the Caribbean; mangrove restoration; grouper and the failure
11 of grouper, and all that.

12 The company does that Royal Caribbean and Carnival and
13 other cruise lines do as citizens both in Miami, Florida, and the world, I
14 should say all of those above and this is part of the way that we spend
15 our charitable dollars for as a corporation in supporting marine related
16 work.

17 Some of the other things that we've done on our operational
18 side we really have been looking for ways to be above and beyond
19 compliance and to push the industry forward, to push ourselves forward,
20 and of course, the industry as well.

21 I think Ellen said we're not competitive on a environmental
22 front, but we are somewhat because we are looking for ways to move
23 forward.

24 Let me talk first about dry clean. Not all of the Royal
25 Caribbean and Celebrity ships we have installed closed loop systems
26 which means the PERCs, the solids that are used in dry cleaning, is
27 recirculated, so there's no evaporation.

28 We were hoping that this was going to reduce the usage of
29 PERC, although, I'm not sure it's going to do that, but at a minimum it's
30 reducing the evaporation of PERC, and therefore at least making the
31 operation safer.

32 We have also installed on the Celebrity vessels a filtration
33 system with a medium that absorbs the PERC and so when you do dry
34 cleaning you get condensate on the dry cleaning equipment and also on
35 the steam presses where you press the garments after they've been dry
36 cleaned.

37 This filtration system removes the PERC so that the

1 condensate that you have remaining which is the waste water that gets
2 limited has almost literally almost no PERC in it at all. There's maybe
3 billions of parts -- that would be parts per billion of residual PERC, but
4 it's really very low.

5 That allows you to land the filter medium as a hazardous
6 waste because most of what you have left is clean water. We have a
7 new ship that was launched in June called the Millennium. It's a
8 Celebrity vessel. It's the first cruise ship that has been powered with
9 gas-turbines.

10 Gas-turbines reduce visible emissions, they reduce smoke and
11 nitrogen oxide and the nitric oxide and sulfur oxides that are associated
12 with fossil fuel engines.

13 Some of the other cruise lines as well have added
14 gas-turbines for some of their operations. For example, when they're
15 docking in a port or for when they're tied up, and are hoteling as we
16 call it, when we're just in port.

17 Royal Caribbean as a result of the problems with the oily
18 waste water in the mid-90s, the company partnered with a venture called
19 Neurine Flock to develop a new bilge water treatment system.

20 Our systems treat -- we say that the systems treat bilge
21 water to less than five parts per million. The international standard is
22 15 parts per million. The standard for the U.S. is 15 parts per million
23 near shore, and it's higher off shore.

24 But these system we say clean the water to less than five
25 parts per million. We do not discharge treated bilge water unless it's
26 five parts per million. In general the systems work in the zero to two
27 parts per million range. Which is very very clean water.

28 We talked earlier about paints. The paint on the Splendor
29 by the way was a non-TBT paint. It was a copper based paint. All off
30 the Celebrity ships are painted with non-TBT based paints. The Royal
31 Caribbean ships are being painted as they go into dry dock, and the TBT
32 paints are being replaced.

33 Again, this is well in advance of the dates that were set for
34 replacement of TBT paints under the international regulations. Starting
35 in 1995 Royal Caribbean was one of the first to invest in large cold
36 storage areas on the ship.

37 The reason for this interestingly enough, is so that we can

1 crush and hold glass and can and land them in large parts for recycling
2 rather than to have to either discharge at sea or land them in smaller
3 ports in the Caribbean. You cannot hold waste that has had foot in
4 contact on a ship for very long if you don't have refrigeration facilities.

5 So all of the Royal Caribbean ships, all of the Celebrity
6 ships, all of Carnival, all of the volume cruise lines now have
7 refrigerator rooms in order to hold the glass and hold the cans, and hold
8 the other types of trash so that it can managed at a large port rather
9 than looking for other opportunities which would include, and in some
10 instances, could include the ocean.

11 Last summer there's been a couple of mentions of this, this
12 summer the two Celebrity ships that were operating in Alaska had full
13 scale test systems, test reverse osmosis systems to treat gray water.

14 The reverse osmosis system was followed by an ultraviolet
15 disinfection system so that what was being discharges was in fact to
16 what you find in bottled water. We actually had an engineer and a
17 mayor who drank it.

18 Although, I would have to say I would want a few more
19 barriers there for my personal protection, but it is very clean water.
20 We're very happy with the success of that project and hope that we're
21 going to be able to really move the state of waste water treatment
22 forward with that kind of work.

23 Let me comment a little bit on environmental management.
24 As you folks are aware, because you've heard this before, what Royal
25 Caribbean and Celebrity have ISO 14,000 certification for their
26 environmental management system. Both Royal Caribbean and Celebrity
27 also have received certification from their classification societies that
28 their environmental practices are beyond what's required by the ISM
29 Code.

30 The DNB which is Royal Caribbean's classification society
31 has a program called SEP on the Lloyd's side it's called Environmental
32 Protection. Now one of the major questions is how do we assure that on
33 going forward basis a voluntary program has enough teeth in it to be
34 sure that it's not just something you put on the shelf and don't follow.

35 As a couple of people have mentioned once you have put
36 these standards and these are in fact performance standards into your
37 operating practices your classification society audits against those

1 operating practices, and if you don't follow those, and you have
2 non-conformance from your classification society, which are reported to
3 the Coast Guard, and so you ultimately can't operate that way.

4 We have talked quite a bit about the Memorandum of
5 Understanding with the Florida Department of Environmental Protection,
6 and let me do that as a bridge to being a regular geek, as Craig points
7 to his watch. It's a good thing because I can talk about regulatory
8 issues for a long time.

9 I have managed two industrial treatment programs which are
10 the major programs having the Clean Water Act to regulate the industry
11 around the U.S. in Boston and in Southern California. And one there are
12 permits which are issued to industry under those programs. Those are
13 the permits that people usually refer to when they're talking about
14 industry being permitted under the Clean Water Act.

15 There are some discharge permits, but mostly we're talking
16 about that program. If you want to move forward quickly, and if you
17 want to move any industry to be innovative one of the best things you
18 can do is work with industry to find ways, practices that are going to
19 work, and to move forward on that basis.

20 If you do traditional command and control, and Craig, you've
21 had through this. You had said earlier that EPA has done command and
22 control for a long time. You don't necessarily get the innovation and the
23 speed of change.

24 Having said that, let me say that the Clean Water Act and
25 the NPDES program has in fact worked very well. One of the things
26 that it does bring with it is relative certainty about what the rules are
27 which makes it much easier to understand how to operate.

28 So I am not and don't take my comments as saying that I
29 don't like the NPDES Permit Program. It has brought enormous benefits
30 to the United States. But it's also true that it takes a long time to
31 change regulations. It takes a very long time to change regulations.

32 And if we as an industry want to make progress with the
33 regulatory world and with the environmental community in the short
34 term, in the very short term meaning in the next few years, I think that
35 our greater opportunities are going to come from looking at voluntary
36 programs.

37 I will tell you that if I were a government agency trying to

1 put reverse osmosis systems in some of my facilities and I wanted to do
2 that in less than nine months, it wouldn't happen. So that's something
3 that with a private company by taking initiatives that are above and
4 beyond what the law is, we have many more flexibility and more ability
5 to move more quickly.

6 I think that's important, and I think it's important because
7 what I really care about, and I've said this to the lawyers, what I really
8 care about is the Miranda of Improvement.

9 Many of the things that we have done that, and the things
10 I've listed are real and will bring real environmental improvements in the
11 ocean environment. Because it's not just Royal Caribbean, Celebrity it
12 is the industry which is going towards these much higher standards.

13 And having said that I will thank you.

14 **MR. CRAIG VOGT:** Kira Schmidt, please.
15 Then the final speaker will be Ed DeManico.

16 **MS. KIRA SCHMIDT:** I'm Kira Schmidt with
17 Bluewater Network. I'm a campaign director there. Bluewater Network
18 is an nation environmental organization protecting public waters, lands,
19 and ecosystems, fighting damage caused recreation, shipping industry
20 practices, and other types of marine pollution and we're based in San
21 Francisco.

22 The cruise ship campaign launched late last year in response
23 to the media attention and public concern generated by the Royal
24 Caribbean case, which I will described briefly in a moment, some of the
25 major concerns that Bluewater Network has regarding cruise ships are
26 the following:

27 First, the series of pollution incidents by cruise ships, the
28 severity and intentionality of some these incidents. Large finding of
29 waste that the cruise ship generate on and discharge into the seas. The
30 rapid growth and number and size of cruise ships, and inadequate
31 oversight and regulation of cruise ship waste management and therefore
32 inadequate enforcement and deterrents programs in the U.S. by cruise
33 ships.

34 I'm going to go into a little bit more detail on each of these
35 concerns that they are what prompts us to author the petition to the
36 EPA.

37 Regarding the series of pollution incidents according to a

1 report recently released by the General Accounting Office.

2 From 1993 to 1998 alone cruise ships were involved in 104
3 confirmed cases of illegal discharges of oil, garbage, and hazardous
4 wastes; 87 of these were into U.S. waters; 31 of these took place in
5 Florida State waters; 7 took place in Porta Rico; 5 in the Virgin Islands;
6 and 6 more outside of the three miles, but in this area. That is almost
7 50 percent of the cases.

8 To illustrate the severity and intentionality of some of these
9 incidents I will briefly talk about the Royal Caribbean cases that Nancy
10 referred to.

11 In 1993 and 1994 two Royal Caribbean ships caught
12 discharging oil one off the coast of Miami and one off the coast Porta
13 Rico which led to federal investigations that revealed the routine of on
14 board discharge of oil contaminated waste.

15 Deliberate presentation of false oil record books to the Coast
16 Guard and the use of secret bypass pipes that enable the discharge of oil
17 contaminated bilge waste without using required pollution prevention
18 equipment.

19 This case prosecuted by the Department of Justice led to a
20 plea agreement in 1998 and \$9 million in fines. Then continuing
21 investigations revealed fleet wide practices by Royal Caribbean ships of
22 routinely discharging oil contaminated bilge waste and toxic pollutants
23 from shipboard dry cleaning and photo processing operations through
24 their gray water systems, and lying to the Coast Guard to cover it up.

25 Royal Caribbean plead guilty in six U.S. jurisdictions to 21
26 felonies in 1999 and paid \$18 dollars in fines. We are also concerned
27 about the large volumes, extremely large volumes of waste that cruise
28 ships generate while out on the water. A typical cruise ship on a one
29 week voyage generates more than 50 tons of garbage; 1.5 million gallons
30 of gray; 210 gallons of sewage; 35,000 of oil contaminated water, and
31 unknown amounts of hazardous waste.

32 The average volume of waste being generated at sea by
33 cruise ships is increasing due to the rapid growth of the industry, which
34 is averaging about eight percent per year.

35 Four of the five, top five ports most used by the cruise ships
36 are in Florida or Porta Rico. Number one is Miami, two, Port
37 Canaveral, three San Juan, and four Port Everglades.

1 In 1998 these ports embarked more than 3.5 million cruise
2 passengers and I am sure that number has increased significantly since
3 the number passenger embarkations grew 48 percent from 1990 to 1998.
4 The cruise industry plans to introduce 57 new ships to the North
5 American fleet by 2004.

6 Not only will the number of ships be increasing but also
7 their size. The largest ship recently brought on line carries more than
8 5,000 passengers and crew. The trend is toward these larger ships.

9 This rapid growth is troubling because it appears that the
10 existing oversight of cruise ship waste management is inadequate. The
11 GAO report has that the Coast Guard's ability and detect and resolve
12 marine pollution violations is constrained by the narrow scope of its
13 inspections.

14 A significant reduction in aircraft surveillance for marine
15 pollution purposes and a breakdown of the process for identifying and
16 resolving alleged violations compared to flag states.

17 The Coast Guard's passenger vessel construction program,
18 which we heard about earlier, focuses primarily on safety, pollution
19 prevention issues are addressed to a much more limited degree.

20 Inspectors focus on safety, with the large size of the cruise
21 ship the limited time for inspection and the limited staff resources make
22 it very difficult to perform detailed examination of environmental
23 functions according to the Coast Guard inspectors themselves.

24 We have also highlighted in our petition that the existing
25 regulatory exemption that should go into waste management contained
26 significant gaps, which Craig mentioned earlier, including for example
27 the exemption from NPDES permit requirement for gray water
28 discharges.

29 We've heard a lot about voluntary programs that the cruise
30 companies employ to certify that they're in compliance with
31 environmental laws, including classification society certification, and
32 audits required by the ISM Code certification or various plea agreements
33 for past violations.

34 You will pardon me, but I am going to read from the report
35 for a second here:

36 JR Report notes that: "Like the Coast Guard's ship
37 inspections the new ISM related audits are scheduled in advance and the

1 company's and ship crew know when the auditors are on board and
2 generally what they will be reviewing.

3 "Also, a sizable portion of these audits focus on the review
4 paperwork and processes. A representative from the major classification
5 societies have made close examinations of hardware, such as oily water
6 separators and cannot be accomplish in the time allotted for these
7 audits."

8 Also looking at the findings of audits being conducted of
9 Royal Caribbean ship's and made public as part of their plea agreement
10 with the Department of Justice of 10 ships audited conducted between
11 December of 1999 and June of 2000 each and every one had multiple
12 problems with errors in the log book recording the oil, garbage,
13 hazardous waste, gray water, and/or black water discharges.

14 One has to speculate that the relatively simple task of filling
15 out log books is not being done properly on all ships. Whether other
16 more serious problems of actual handling of waste water while at sea are
17 concerning.

18 In addition, quarterly environmental compliance reports are
19 also required under the plea agreements. The compliance report for the
20 three month period ending January 31, 2000, for example, revealed that
21 seven environmental incidents of spills and malfunctions occurred. Four
22 of those were in Florida, two in Porta Rico, and one in the Virgin
23 Islands.

24 There have been a couple voluntary government cruise ship
25 industry partnerships entered into recently which we've heard about
26 today, and have been cited as good models: Memorandum of
27 Understanding between the Florida Environmental Protection and the
28 cruise industry.

29 And regarding that, I simply want to note that there was
30 zero public input or involvement in this negotiations, and has no means
31 of enforcement, and problems in lack of clarity regarding the same waste
32 management regulations that prompted it in the first place have persisted
33 since its signature.

34 There's also an Alaska Cruise Ship Initiative that was
35 launched by the Alaska Department of Environmental Conservation due
36 to concerns regarding illegal discharges from cruise ships in Alaskan
37 waters.

1 Regarding this initiative I just want to mention that the
2 results of waste water sampling that have been done recently have shown
3 evidence of extraordinarily high levels of bacteria across the board. Of
4 36 discharges of black water recently sampled only nine had less than
5 200 fecal chloroform 100 is the federal standard. Five had less than 500
6 milligrams per liter of total suspended solids, none met the fecal
7 chloroform suspended solids design criteria.

8 The MSDs are clearly not producing the quality of effluent
9 they were designed to produce. In gray water samples also conducted in
10 Alaska recently three had greater than 10 million fecal chloroform counts
11 per 200; four were between one and 10 million; seven between 100,000
12 and one million.

13 And violations of air emission standards are continuing in
14 Alaska. Recent monitoring has resulted in the issuance of 15 notices of
15 violation in the past two months alone. Clearly, compliance within the
16 laws by cruise ship are continuing. Problems of compliance within
17 environmental laws are continuing under the existing regime with the
18 existing voluntary initiatives.

19 This is not to suggest that we do not recognize the cruise
20 industry for their efforts to improve environmental performance and to
21 engage in dialogue with regulators. We believe that these are significant
22 and they are steps in the right direction. However, problem and
23 violations of various regulations by cruise ships are ongoing despite
24 these.

25 They lack mechanisms for enforcement, oversight, and thus
26 deterrents. And in the case of Florida for any manner of involvement by
27 concerned citizens and organizations.

28 Neither the existing regulator regime nor voluntary programs
29 such as those described seem to be adequate to abate pollution from
30 cruise ships. The evidence to support this is mounting in the GAO
31 report in the ongoing problems and in the results of the first monitoring
32 and sampling that's going on up in Alaska.

33 These programs must be complimented by new and improved
34 regulatory measures and empowered by environmental agencies to
35 monitor and enforce standards for cruise ship waste management.

36 Bluewater Network and 50 petitioners that signed our
37 petition, we submit that petition to the Environmental Protection Agency

1 because it's mission is to protect human health, and to safeguard our
2 environment.

3 We continue to believe that the EPA has a very important
4 role to play along with concerned citizens and the industry in helping
5 ensure that the cruise industry activities do not negatively impact the
6 environment.

7 I'd like to take this opportunity to thank EPA for the
8 initiative that they've launched in response to our petition, and all the
9 good work that it's done so far on the issue, and for holding these
10 hearings.

11 We look forward to continuing to contribute to this process
12 in cooperation with all the other stakeholders to craft better solutions for
13 the environment. Thank you very much.

14 **MR. CRAIG VOGT:** Edward DeManico. That
15 is our last requested speaker. Then we will have time for and we'll see
16 if our court reporter can last a few more minutes.

17 **MR. EDWARD DEMANICO:** Thank you ladies
18 and gentlemen, and the industry. My name is Edward DeManico. I'm
19 the president of the Hazardous Materials Specialist. We've been
20 providing services to the cruise industry for the last five years. We act
21 as a consultant and we act as a vendor. We do hazardous materials
22 training.

23 I myself have trained over 40,000 people. 40,000 crew
24 members in the cruise industry. I have taken over 300 cruises on most
25 of the cruises the cruise vessels that the companies represent from the
26 audience.

27 In addition, to that we've developed special products that
28 help the companies manage their environmental systems on board ship.
29 So I can only say that from what I have seen over the last five years it
30 is a very very big commitment, the understanding and learning, and
31 trying to do the right thing.

32 Again, all the cruise lines -- while the people in this room
33 are interested in management, so are the crew members. They are the
34 people that are actually out on the ships every day, seven days a week,
35 364 days a year.

36 They have to have an understanding, and the training
37 programs that we put in place, the funding of the environmental

1 awareness programs. It has to begin at a grassroots level. They have
2 done that.

3 It's a tremendous commitment for the cruise industry to do
4 the right thing, and to learn. The cruise lines are striving to all get to
5 the same level. It's a huge job, an ongoing job. Every one, I believe, is
6 trying to do the best that he can.

7 Think about a cruise line that has 24 mega vessels that are
8 60,000 tons. You try to do that for 10, 15 cruise line. That's just mind
9 boggling. The job that they have to do. Inventory, audit, and monitor,
10 keep track of all these things is just unbelievable.

11 So I think with all these comments we have to keep in mind,
12 we have to understand what you're really dealing with here. This has
13 gone on for years and years trying to do the right thing, the right way,
14 with the difficulties in the technology of all these ships.

15 The size, the construction, consider to best way to do things,
16 the right thing to do. Keep that in mind. Stand back and look at it, but
17 everybody is trying to go in the right direction in the industry. Thank
18 you.

19 **MR. CRAIG VOGT:** First of all, is there
20 anyone else that wants to make a statement. All right, sir, would you
21 come up and identify yourself.

22 **MR. JERRY CATZ:** I'm the assistant port
23 director for the Port of Miami. There was a statement -- Nancy made a
24 statement about a tariff allowing for hull cleaning. I think, for the
25 record, that's inaccurate. The tariff is solid on that issue, but it does
26 address discharges of discoloration to water and other type of discharges.

27

28 We don't want people bring in their ships to into Port of
29 Miami thinking they can do hull cleaning so. That's all I have. Thank
30 you.

31 **MR. JOHN SCHNOOR:** Good afternoon. I'm
32 Lt. Commander John Schnoor of the Vessel Sanitation Program. We are
33 part of the Centers for Disease Control and Prevention, the National
34 Center for Environmental Health. I have been asked to give a
35 presentation of what our role is with the cruise industry.

36 As you've heard from most people presenting, it's dealing
37 with the environment outside of the ship. The Vessel Sanitation Program

1 deals with the environment inside the ship. I have a pamphlet that I
2 will leave with the panel, but I will just read some excerpts of that:

3 "Every vessel that has a foreign itinerary and that carries 13
4 or more passengers is subject to twice yearly inspections and when
5 necessary to reinspections by the VSP staff."

6 How the program works to ensure the level of sanitation on
7 passenger vessels that lowers the risk for outbreak of gastrointestinal
8 diseases, such as diarrhea, the Vessel Sanitation Program staff carefully
9 examines these areas of concerns.

10 First, the ship's water supply to determine how water is
11 stored, distributed, protected, and disinfected. The ship's food to
12 determine how the food is protected during storage, preparation, and
13 service.

14 The potential for contamination of food and water to
15 determine what interventions were needed for protection. The practices
16 and personal hygiene of employees to ensure the cleanliness and the use
17 of appropriate hygienic practices.

18 The general cleanliness and physical conditions of the ship to
19 ensure cleanliness in the absence of insects and rodents. The ship's
20 training programs in general environmental and public health practices to
21 determine the scope and effectiveness of such training.

22 The inspection criteria, to ensure the clean and healthful
23 environment cruise ships must meet the criteria established by the VSP.
24 The scores a ship receives after inspections are published every two
25 weeks in the summary of sanitation inspections of International Cruise
26 Ships commonly referred to as the Green Sheet.

27 This sheet is distributed to more than 6,000 travel related
28 services around the world. Twice a year the VSP staff conducts
29 unannounced inspections of all ships in the VSP and reinspections of
30 those ships when necessary. A ship's level of sanitation is acceptable if
31 it's scores on the inspection is at least an 86 percent or higher.

32 The number of periodic inspection has increased from 89 in
33 1988 to more than 200 in 1998. The percentage of inspected ships with
34 an acceptable level of sanitation has also increased from 53.8 percent in
35 1988 to 79.5 percent in 1998. In general, the lower the score the lower
36 the level of sanitation.

37 However, a low score does not necessarily imply an

1 immanent health risk for gastrointestinal disease. Since the program
2 began the number of disease outbreaks on ships has declined despite
3 significant growth in the number of ships sailing and the number of
4 passengers carried.

5 Additionally, under the authority of the Public Health
6 Services Act the VSP continually collects and monitors reports of
7 diarrhea illness on board passenger ships.

8 This surveillance system is designed to estimate the
9 magnitude of gastrointestinal illness among passengers and crew
10 members; detect outbreaks of gastrointestinal illness; help assess changes
11 in sanitation practices; and in patterns of infectious agents and disease;
12 evaluate the effectiveness and control of prevention strategies.

13 The VSP also offers consultative services including
14 reviewing plans for renovations and new construction of ships. At the
15 request of the ship's owners the VSP conducts construction inspections
16 when the ship is near completion and again when it first enters U.S.
17 ports.

18 Ship builders or owners pay an inspection fee as well as
19 costs and expenses of VSP staff members traveling to foreign ports to
20 conduct these on-sight inspections. Thank you.

21 **MR. CRAIG VOGT:** All right, thank you.

22 **MR. JOHN JONES:** My name is John Jones. I
23 worked with the Department of Environmental Protection when we
24 started doing these inspections. Jeff Smith and I originally it was Mike
25 Williams I think with Royal Caribbean.

26 I have seen this whole process evolve and I'd just like to say
27 that I also see the effort by the cruise lines. I want to commend the
28 Department for carrying on with things that have been initiated and this
29 dialogue and the fact that you're able to get this information on a
30 number of environmental incidents and that kind of thing.

31 I think it's a credit to cruise lines for being able to start
32 doing their voluntary programs. You know the environmental
33 management systems that are in place at RCCL and what motivation
34 might not have been the best at the very first I think those programs are
35 very good.

36 And Joe Austin at Carnival we started offer with a fairly
37 rocky relationship because we started looking at the way the cruise line

1 was handling their waste from a conventional standpoint and we realized
2 right away that rather than just keep butting heads that something other
3 than that needed to be done.

4 I'd like to say that the fact that they're moving, the cruise
5 lines are moving towards auditing themselves and making that data
6 available I think is to be commended. Thank you.

7 **MR. CRAIG VOGT:** Kira?

8 **MS. KIRA SCHMIDT:** Just to respond quickly
9 to that. Actually, that information is extremely difficult to come by. I
10 filed a require to get the information and the GAO report has been very
11 helpful in providing a lot of the information. And the 87 cases that I
12 referred to in the GAO report are actually only those that were used in
13 the report, there are others. And there are also many that go undetected
14 I'm sure.

15 I had a question regarding how many of the, I think it's
16 about 150 ships that operate in North American waters, how many of
17 those actually have the TBT or biocide free paint and/or these gray
18 water treatment systems that we're heard about?

19 **MR. CRAIG VOGT:** That was a general
20 question I certainly don't know. If anyone has that information --

21 **MR. DAN SIREN:** All of these cruise
22 companies are now using TBT free type paint. More and more of them
23 are considering the biocide free paint. You have to remember a lot of
24 these vessel were built many years ago and some like tankers or
25 container vessel, you know, do have TBT paint, but they're all switching
26 over to TBT free type materials.

27 Of course, our ultimate goal is to convince people like Ms.
28 Wheatley over here and Jim Walsh and everybody else in the industry to
29 use biocide free materials. Norwegian Caribbean Line has done it. I
30 think they're quite pleased with it.

31 So that's really the way to go. I mean in the long haul
32 because of the environmental issues. And more and more we've done
33 over a couple hundred vessels. The U.S. Coast Guard has used a lot of
34 that material.

35 So I am just shouting it out loud, because I think we're at a
36 standpoint it's really a key issue. Okay, then you would have no
37 problems. You'd have no problems cleaning. Yes, ma'am.

1 **MS. KIRA SCHMIDT:** I was just wondering if
2 you could give us a number on how many cruise ships that have that
3 paint on it?

4 **MR. DAN SIREN:** I can, you know, try to get
5 that for you. But as they go to dry dock they get away from TBT.

6 **MR. CRAIG VOGT:** Okay, thank you very
7 much. We are going to do this again at 5:00 o'clock, in theory and we
8 can take a last couple of comments we'll do that and then we can
9 conclude. Nancy, then Ted.

10 **MS. NANCY WHEATLEY:** Just a couple quick
11 follow-ups. I'm Nancy Wheatley Senior Vice-President for Royal
12 Caribbean Cruises. First, on the comment from the Port of Miami there
13 is a section -- the gentleman has now left, but we are going to get
14 together.

15 There is a section in tariff on allowed maintenance activities
16 in the port. I believe that includes the hull cleaning, but at least the
17 version I am looking at includes it. So we will follow up on that.

18 I also want to make a comment about all the reports in
19 quarterly reports. Kira made a comment about the Royal Caribbean
20 reports and I think I'd like to follow up mostly on her last statement,
21 which is if there are small errors which the auditors are finding there
22 must be something bigger.

23 I think the fact is, there isn't anything bigger. The audit,
24 the external auditors that do these audits often do environmental
25 compliance audits for a number of companies around the country
26 including Fortune 100 companies.

27 In general Royal Caribbean's compliance with very detailed
28 procedures is either very good or excellent on all of the ships. And the
29 number of findings that appear in these audits is really quite low for an
30 operation of this type. These auditors are on board for between four and
31 seven days on all of the ships.

32 The fact is they aren't missing big things. They're very
33 finding very small things and they're not finding big things. The
34 incidents that were reported in the quarterly reports are generally of the
35 nature of we had a stern two seal that was leaking a few drops of oil,
36 and they changed the oil and did various things to clean it up.

37 The incident of the gray water spilling on the dock that went

1 into the water that's the kind of incident that you will find in that
2 report.

3 **MR. CRAIG VOGT:** Thank you. I don't want
4 to start a list of debates. You have two more.

5 **MS. NANCY LEE:** I was just want to clarify
6 because it says exactly here where I was talking about the sea port
7 which they say is legal it says here sea port pollution of surface water at
8 the sea ports are prohibited by the tariff. That is the Sea Port Terminal
9 Tariff Number 10 document.

10 **MR. CRAIG VOGT:** Okay, and you're going to
11 leave that with us?

12 **MS. NANCY LEE:** Yes.

13 **MR. CRAIG VOGT:** Thank you.

14 **MR. TED THOMPSON:** I'd just like to make a
15 couple of comments with regards to the GAO Report and the implication
16 that it shows that there are mounting problems with cruise ships.

17 I think if you take a look at the cases in the GAO Report
18 and look at the dates and look at the quantities of the spills and look at
19 the number of ships increasing through those dates you will actually find
20 that's there's an improving record of environmental compliance within the
21 cruise industry and not a disintegrating record of compliance.

22 Secondly, when Kira Schmidt talks about the illegal
23 discharges, any discharge is obviously illegal and she focused on a
24 couple. If you look at the majority of those cases you see cases like
25 two teaspoons full of paint; or a quarter of a cup full of paint that were
26 spilled during painting.

27 While this maybe technically illegal, it's also a spill and it
28 is certainly not an intentional circumventing of regulations and law.

29 A statement was made that there are unknown amounts of
30 hazardous waste. I think those amounts would be fairly easily teased out
31 of the reports as to hazardous waste. I've read it, and I believe that the
32 report that you got from Carnival you can probably tease out some of
33 that information also.

34 Finally, talking about flag state referral and it's been
35 mentioned at a number the these, in fact, all three of these public
36 information hearings that referrals to flag states are ignored et cetera.

37 In fact, if you will look it at the GAO Report there's are a

1 number of referrals to the Department of Justice and the Department of
2 Justice refused to prosecute those. In my previous life I was a
3 Commissioned Officer of the United States Coast Guard. I retired as a
4 Captain and part of my duties I was a chief of the port safety and
5 security division at Coast Guard Headquarters.

6 That was the division that at the time back in '89 took the
7 apps and put them into regulations and also it had to do with referring
8 these cases to the foreign flags. We found that the foreign flags did not
9 pursue these cases for a number of reasons. Among them were the same
10 reasons that the Department of Justice apparently did not pursue some of
11 these cases and that is that either a) not enough evidence; or b) they felt
12 that the cruise line or the company involved there were more than just
13 cruise lines involved, and referring these violation reports felt that the
14 United States Coast Guard had already taken it upon itself to put some
15 sort of a penalty so they did not that follow up.

16 Now, there may have been other reasons also, but I will tell
17 that those after two of the reasons that those things were not followed
18 up and those same reasons were apparently used by our own Department
19 of Justice. Thank you.

20 **MR. CRAIG VOGT:** Okay, thank you. With
21 that I am going to have closing remarks of my own. And very briefly
22 because, as I said earlier, we're in the information gathering stage and I
23 make no buts about it, the fact that we haven't made up any minds yet.

24 We have an assessment report to put forward, and that will
25 start further dialogues on what actually direction we're going in.

26 I do want to mention the fact that Ted Thompson mentioned
27 the collaborative study the EPA is going to use our vessel and go behind
28 and before and after a cruise ship goes by somewhere in the Caribbean
29 this winter. We're going to do an assessment of discharges from cruise
30 ships.

31 This is an open process of protocol that we develop will be
32 vetted widely, and we want all stake holders to have some buy-in into
33 the study and design. So that it's good science, and it makes good
34 sense.

35 5:00 o'clock we are scheduled to do this again. It's a repeat
36 session, however, it does not mean that those of you that spoke have to
37 speak again. In fact, you are not entitled to speak again. I am enjoying

1 these remarks, and we are leaning something, but if I hear it twice I
2 might remember part of it, but too bad. I don't want to hear it again
3 unless we have to. I will say, I said the same thing in LA, just a couple
4 people came up in the evening session, and they did not want to speak,
5 but they did want to listen. So I invited a couple of different speakers
6 that sort of summarized the industry and the environmental interests
7 positions summarize those for the speakers.

8 So I don't know what will happened this late afternoon
9 session at 5:00 o'clock, but we may do something like that, but we will
10 have to see.

11 I do appreciate everyone being here and hanging with us this
12 full afternoon of testimony. We as a panel would just love to interacted
13 back and forth, but the format just doesn't allow, the time doesn't allow
14 us to do that. We will have the comments.

15 I do want to say that if you've got written that you'd like to
16 provide please do so in a very expeditious manner and no later than
17 September 22nd. We are trying finish this assessment in October so we
18 need your assistance in that regard as quick as possible.

19 I did hear, in general, a very serious willingness on all parts
20 to move forward on this issue of cruise ships and waste water
21 management. Obviously, we have got some difference of opinions on
22 voluntarily verses regulatory. And various blends that can move all of
23 us forward, but I do think that we can do that.

24 We will continue the dialogue starting at 5:00. You're all
25 welcome come to back. We'll probably start a few minutes late. Not a
26 lot late, maybe ten after five. We do have to give our court reporter a
27 break because I promised her one 40 minutes ago. Thank you very much.

28
29 (**WHEREUPON**, the Meeting was concluded.)

30

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CAPTION

32

33 The Meeting in the matter, on the date, and at the time and place set out
34 on the title page hereof.

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

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EPA PUBLIC MEETING
OCEAN DISCHARGE CRITERIA

September 12, 2000

5:00 p.m.

MR. CRAIG VOGT: Okay, this is public hearing number six on cruise ships, part two of today. The question I have is, I've studied the faces in the crowd, it seems like there's a couple new faces here. There's a whole lot of people here who were here this afternoon.

We took just overview presentations by myself, the State, the Coast Guard. We took testimony. Just should concluded that, and we will repeat the program except the testimony that's already been given we won't hear again.

Are there any new people that weren't here this afternoon that are the audience? Two, three, four, five, okay. Good. Are you interested in this issue? Good.

All right, we will proceed through, do any of you want to speak? Okay. All right, in that regard this afternoon we've heard a lot of different speakers and if I could characterize this as cruise ship industry and environmental interest, sort of on -- I don't want to say different sides of this field, but two different view points on how we

1 should move forward.

2 I could ask said Ted Thompson to give us a summary of his
3 presentation. A summary, Ted, you don't have to do the whole thing
4 again, as well as Kira Schmidt from Bluewater Network that provided
5 testimony, a summary of hers as well.

6 Before we do that, that would give the new people in the
7 audience a little flavor of this afternoons presentations. So with that, let
8 us begin. Bob Kirk, do you want to begin.

9 Just as a matter of procedure, I hope that everyone has
10 signed in and if you haven't, please do so out front.

11 **MR. BOB KIRK:** I'll just go ahead. I'm
12 briefly going to go over exactly what the Coast Guard does as far as
13 examination on cruise ships.

14 My name is Lt. Bob Kirk, I'm with the Seventh Coast Guard
15 District here in Miami, Florida. I'm the Chief of the Compliance Branch
16 for the Seventh District.

17 The passenger vessel examination program was establish in
18 1968. Basically, it's states that foreign passenger vessels must be
19 examined prior to embarking passengers from a U.S. port.

20 We examine these cruise ships four times a year. We do it
21 on a quarterly basis. The three quarterlies, their primary function is to
22 look at the crew's performance. How the crew handles emergency
23 situations, fire drills, abandon ship drills, we do damage control drills,
24 looking at how you would control flooding due to groundings or
25 collisions, things like that.

26 We also do a general walk through of the vessel. The
27 primary purpose of that is to look for fire safety hazards, any
28 modifications to the vessel that may effect structural fire, integrity, and
29 we also spot check some of the equipment and the systems.

30 This may include looking at some smoke detectors, fire
31 detectors, fire screen doors, things like this as we walk through the
32 vessel.

33 On the annual examination which typically takes six to eight
34 hours where a quarterly examination would take around three to four
35 hours to do. On the annual, again, we focus on crew performance, but
36 with the annual we focus more strongly on equipment and systems of a
37 vessel.

1 We spend much more time looking at the fire detection/fire
2 protection systems. We do a much more thorough walk through of the
3 vessel. We check fire scene doors and detail water tight doors, fire
4 pumps, things like this, bilge pumps, much more detailed inspection.

5 And during this annual examination we also go down and
6 take a look at the oily water separators, garbage systems, and the marine
7 sanitation systems.

8 The Coast Guard focuses primarily on those three areas:
9 Oil, sewage, and garbage. When we look at the oil systems on board we
10 look at -- one of the primary things we look at is the International
11 Pollution Certificate or the IOPP. This certificate attests to the fact that
12 the vessel is in compliance with international regulations on the
13 prevention from pollution from oil from ships.

14 It tells you that the ship has been surveyed. That the
15 equipment on board is operating correctly, and this is one of the primary
16 certificates that we look at. Along with that we take a look at the oil
17 record book.

18 The oil record book is a record of all the transactions or all
19 the operations of the vessel concerning taking on fuel or bunkers while
20 they're in port, discharging waste oil ashore, discharging oily bilge water
21 at sea through an oily water separator. All these procedures are
22 recorded in this record book.

23 It's to be signed by the person doing the actual operation,
24 and then as each page is completed it is then to be signed by the Master
25 upon his review whenever each page is completed.

26 Then we actually go down and take a look at the oil water
27 separator. We go down and physically examine it. We test it to make
28 sure the bilge monitor works. The 15 parts per million alarm works.
29 The overboard discharge valve closes, and the recirculating valve
30 operates when it detects any discharge above 15 parts per million.

31
32 We look at all transfer procedures. We go and take a look
33 at the bunker stations. These are a lot of the things we take a look at
34 during an annual examination.

35 We also take a look at the garbage and how the ship handles
36 the garbage. Most cruise ships have waste management plans or garbage
37 plans on board. This lays out what the ship's crew should follow or how

1 they handle the garbage, on how to separate the plastic, how to separate
2 the food waste.

3 So we take a look at those procedures then when we do a
4 walk through of the vessel. We actually look in certain areas to see if
5 they're actually doing what they're supposed to be doing.

6 We take a look down in the galley. And the crew space is
7 where a lot of waste is generated. We go to dry storage, reefer spaces
8 where a lot of this waste is stored or where the eventual waste from the
9 ship stores will be generated. We go to the incinerator room to see if
10 the incinerator is operating correctly. We take a walk through of the
11 garbage handling space as well.

12 We also take a look at the sewage system or the black water
13 system. We examine the marine sanitation devise. We make sure that
14 the proper supplies and chemicals are on board that are required by the
15 manufacturer for the proper operation of the system. We make sure it's
16 physically sound, there's no wastage.

17 Some of the other current activities that the Coast Guard is
18 doing: We are currently working with the ICCO through our partnership
19 up at Headquarters. We're currently working with the State of Alaska
20 and the cruise industry on the monitoring and sampling of waste streams
21 up in Alaska. We're working with the EPA here in its listening
22 sections around the country.

23 We are also working with the State of Florida and the
24 Florida-Caribbean Cruise Association on its MOU on waste streams.

25 Future activities for the Coast Guard: We're going to
26 continue to work with the state and federal agencies, along with the
27 industry. We're looking at revising or expanding the scope of our
28 examinations to maybe addressing some of these additional waste streams
29 if that's determined to be the outcome.

30 We're also looking to develop a check list to help our
31 inspectors when they're on board to oversee some of these waste streams.
32 Thank you.

33 **MR. CRAIG VOGT:** One thing we failed to
34 do when we began this part two of today was to introduce myself as
35 well as the panel.

36 My name is Craig Vogt. I'm with the EPA. I'm Deputy
37 Director of the Oceans and Coastal Protection Division in Washington

1 D.C. With me I have from my office Dorn Carlson and Tom Charlton
2 from OWM, Office of Waste Water Management. Dorn is in my division
3 and Tom is the important person that has to do with NPDES Permits.
4 On my left we'll introduce ourselves on the panel.

5 **MS. BEVERLY BANISTER:** My name is
6 Beverly Banister. I'm the Acting Director of the Water Advancement
7 Division in Atlanta Region Four.

8 **MR. BOB HOWARD:** I'm Bob Howard. I am
9 also in the Region Four regional office, and I'm the Program Manager
10 for cruise ship discharges, and I'm on a national work group for this
11 issue.

12 **CAPT. BRIAN BASEL:** I'm Captain Brian
13 Basal, Chief of the Office of Compliance for Marine Safety and
14 Environmental Protection, Coast Guard Headquarters in Washington.

15 **MR. SATISH KASTURY:** I'm Satish Kastury
16 Administrator for the Hazardous Waste Program out of Tallahassee,
17 Florida DEP.

18 Briefly, I don't want to take too much time. I just want to
19 give you some idea of what initiated all this and what we are doing
20 currently with the cruise lines in Florida.

21 This is the overall background where the ships that come to
22 Florida, the different port locations, primarily Miami, Port of Everglades,
23 Port Canaveral, and Tampa.

24 All the ships have different waste -- depending on the age of
25 the ship, you have different technology on board with respect to the
26 overall cruise industry process.

27 As you know there was MARPOL in 1973 and 1978. Then
28 the concepts about discharges into the international waters within three
29 miles of land. Oil Pollution Act of 1990 and then also you have the 12
30 miles.

31 Then if you look at the waste streams, potential waste
32 streams: Gray water, black water, any of the food waste, dry cleaning
33 waste, bilge water and any of the used oil or any photographic chemical
34 they use for developing the film on the ship, and fluorescent lamps
35 etcetera. All this may fall into the definition of hazardous waste on the
36 Resource Recovery Act under both state and federal law.

37 The disposal either at sea or on board, at the shore when

1 they come to the terminal or to the port. How they're going to manage
2 it is what we are looking at with the cruise line.

3 Again, these are all different types of wastes. Then the
4 waste maybe staged at the terminal until the contractor picks it up.
5 Usually cruise line doesn't want to keep the waste for long period at the
6 terminal, maybe just a couple of hours. They want to make sure it's
7 properly been picked up and managed, and transported.

8 Other issues that came up with the Department and cruise
9 lines and EPA is under the generation where do you draw the line?
10 Generation is at the terminal or is it at the ship? The discussions went
11 on on this, and discussion still keeps going on all the time. I'll briefly
12 talk to you about what's in the pipeline and what progress that has been
13 accomplished so far.

14 So the EPA ID number, as you know, cradle to grave,
15 generate the waste, transport it, you manage it, you transport it to a
16 proper disposal site.

17 We know by the cruise line or by the ship and all these
18 issues were discussed. Documentation is another one discussed.
19 Retaining the documents regarding the management or shipping of the
20 waste.

21 As you know, the cruise line industry is highly seasonal
22 from November through April. It's not like an every day every typical
23 industrial process.

24 When we issue ID numbers at the terminal for the ship, and
25 then cruise line also feels maybe each ship is a separate operation
26 therefore, ID numbers would be given. Then the question is, okay, if
27 that's the case who would be inspect the ships? That discussions came.

28 So what we have done is we entered into an outreach
29 activity here where we entered into an MOU with the cruise line,
30 specially with the Florida-Caribbean Cruise Line Association, and the
31 Department on March 14th.

32 Some important factors on this MOU is the goals:
33 Complying with all the laws and the regulations; management of the
34 waste streams; waste minimization; pollution prevention is another
35 significant component we wanted cruise line to incorporate, and also
36 very pro-active and progressive on that.

37 Then, of course, the training of the vessel crew etcetera.

1 And the question came about what is the progress? What's going on at
2 this time since March 14th? I want to emphasize that MOU is a working
3 document. I want to clarify that it's not like something is done and
4 that's the end of it. It's a working document. We work together on a
5 pro-active basis between the DEP, EPA, and cruise line industry.

6 As part of the MOU cruise line made a very significant
7 attempt, an approach, regarding the management of the waste and they
8 have developed a program, as you can see, on the management of the
9 waste. Once the ship comes to a terminal, once the vendor or a
10 contractor goes on board, accepts the waste, brings it, then you manage
11 it according to the regulation requirements.

12 So they developed this process and we reviewed that and
13 provided some input and that's what the document is, as an exhibit to the
14 MOU.

15 Now, in addition to that because the question came if you
16 give ID number by ship, who is going to inspect the ships? We were
17 told, and I think it's true, Coast Guard they do quarterly inspections
18 under the Clean Water Act.

19 So one of the concepts we evaluated and the Department felt
20 makes sense rather than sending a bunch inspectors all the time maybe
21 go to the cruise line the Coast Guard do the inspections as part of that.

22 We developed a check list and we work with them, and
23 cruise line, and EPA. We did develop a check list and we sent copies of
24 that cruise line. We sent copies of that to Coast Guard and we are
25 trying to work with EPA also to come up with and finalize the check list
26 and sit down with Coast Guard, cruise line, and EPA.

27 The check list has been finalized. Actually the Department
28 right now we are in a position of looking at, okay, if we go with EPA
29 ID number by ship let's see how that process works. With that
30 contingent upon Coast Guard doing the inspections and cruise line
31 following the process once the waste comes off the ship at the terminal.

32 So we are currently -- that's the progress we've made and
33 that ID number thing. And that's so the Department is right now
34 currently thinking if we go with this approach and put this thing in the
35 process and let's see how it works. So we need to make further
36 discussions with Coast Guard and cruise line, and EPA on the
37 inspections.

1 Obviously, Coast Guard may need some assistance regarding
2 training, regarding, you know, they may need some clarification of what
3 to handle this waste.

4 Similarly, cruise and EPA all need to work on that. That's
5 what is happening on that. Just an interesting thing we need to address
6 with respect to gray water, black water on the MOU is cruise line also
7 have agreed to work with us regarding the discharges of the gray water,
8 black water in Florida water.

9 In fact, after the MOU signed or during the MOU process
10 and after MOU is signed one of the cruise line industry have already
11 committed that they will have no discharges of gray water and black
12 water of their fleet within the 12 mile of Florida waters.

13 Just wanted to give you progress. As we speak after just
14 now I got a signed letter from Carnival Cruise Lines identifying three
15 ports in Florida where there would be no discharges of gray water, black
16 water within with the 12 miles.

17 Those are the Cape Canaveral, Miami Port and Tampa Port.
18 So this document we need to give it to our water program for their
19 input. But that I would like to share on this. I think I'll stop at that.

20 **MR. CRAIG VOGT:** So based on the letter
21 you just got we'll just have a few more hearings if a few more letters
22 keep coming. We're making progress.

23 **UNIDENTIFIED SPEAKER:** Just for
24 clarification Satish received the letter from us back in March when the
25 MOU was signed.

26 **MR. CRAIG VOGT:** Okay, thank you.

27 All right, I will do this relatively rapidly and I won't try to
28 be too entertaining as I go. If I see your heads dropping, too bad.

29 This is the third public hearing that we've had in a series.
30 It's actually the fifth session and I think we've drawn a different crowd
31 at each one. I think we've learned a lot to date. We are in the
32 information collection stage in our movement toward responding to the
33 Bluewater Network petition.

34 This hearing will help along with the information that has
35 been submitted, and hopefully we will receive additional facts and
36 figures.

37 Context setting for what we're doing: In terms of our

1 oceans. The threats to our oceans and what we're dealing with in my
2 work and the Environmental Protection Agency's work.

3 Oceans are under some stress. Some factors include
4 discharging in point and non-point source discharges. Marine debris,
5 physical alteration of the ecosystem such as, storm water runoff, coastal
6 development certainly has an impact upon our coastal waters.

7 Introduction of non-native species that's related to cruise
8 ships. Others: Global warming and damage caused by commercial and
9 recreational use.

10 In trends we see: In terms of our marine waters. And I
11 don't want to leave the impression that all of our waters are ill, sick, or
12 bad. They're not. Many of our waters are quite healthy and some great
13 strides over many years. Some of the programs that been put in place
14 have made progress.

15 However, we're still seeing some trends. Algalblooms are
16 on the rise. We've had many beach closures due to those, and some of
17 these have human health effects associated with them.

18 Hypoxia, the Gulf of Mexico has a dead zone some 7,000
19 square miles as a result of the drainage from the Heartland of our
20 country. Both point sources and non-point sources. Nutrients and
21 organic materials growing algae. Algae grow, they die, they take oxygen
22 out of the water and create dead zones. Not a simple matter to deal
23 with.

24 We've had an increased number of beach closures over the
25 years due to pathogens and leaving trash on the beach. You remember
26 the incidents back in the '80s late '80s medical debris on the New Jersey
27 shores.

28 We're not sure if the increased numbers of beach closures is
29 due to falling or just better beach monitoring and reporting. In fact, we
30 have numbers of beach closures.

31 Coral reefs: We have an executive order on coral reefs. A
32 task force is working on protection of U.S. coral reefs and working
33 towards an international agenda as well.

34 Then we certainly have numbers of waters with fish
35 advisories due to toxics in the tissue of those fish. Not saying that all
36 fish are bad. That's not the point. The point is, there are a number of
37 toxics that have been absorbed by fish in their tissues and you should

1 pay attention to the warnings of the fish advisory that says you can eat
2 this fish once in a while or not at all.

3 You've seen cruise vessels in previous presentations and
4 some of these waste waters, waste that are on cruise ships, and I will
5 not dwell on that slide. Why are we here? Well, there's been a number
6 of activities, certainly here in Florida, as well as in Alaska, in
7 California as well, on cruise ships.

8 Bluewater Network brought this to our attention at the
9 headquarters level, not that we weren't aware of it, but we were not
10 doing anything about it in terms of actions on cruise ships. The
11 Bluewater Network petition was received in March of this year, and it
12 essentially said, it asked us to take regulatory action of cruise ships
13 waste and waste water discharges.

14 In the petition, and that's what we're doing now, it asks us
15 to characterize what waste and waste waters we have coming off of
16 cruise ships; characterize those in terms of quantity and quality; look at
17 the impacts, environmental impacts, of those discharges; as well as look
18 at the adequacy of our existing regulatory regime; our policies and what
19 legal structure we have; and how well those policies, procedures, and
20 regulations are working.

21 The key here in the petition is looking at the waste water
22 discharges from cruise ships as point sources. We do not do that at this
23 point because we have an exemption which I'll come to later. Bluewater
24 has asked to us repeal that exemption.

25 Another part of the Bluewater Network petition consider
26 more strictly defining and regulating gray water as well as strengthening
27 and clarifying some of the hazardous waste regulations for cruise ships.

28 Other actions within my office that are related to the
29 Bluewater Network, and cruise ships, we also have a petition from a
30 number of environmental interest groups on regulating ballast water as a
31 point source.

32 We received that about a year and a half ago. We have been
33 busily collecting information. There's certainly no easy answer to this
34 question on regulating ballast water to control invasive species. We
35 hope to have a response to the petitioners next month.

36 Other activity here the Uniform National Discharge Standards
37 for the Armed Forces vessels. This was a modification of the Clean

1 Water Act Section 3129(n) which was, I guess, put in place a couple
2 years back, maybe three years ago. 1996.

3 This told EPA and the Navy to get together to develop
4 regulations for vessels of the Armed Forces for discharges that
5 potentially cause environmental harm, to set standards that would lie
6 across the nation.

7 We have identified specific discharges from Armed Forces
8 vessels that have the potential to cause harm to the environment. We
9 are now working with Navy to identify what appropriate standards would
10 be. We are looking three or four years for that effort.

11 Related, but not specifically to cruise ships is Executive
12 Order 13158 which was issued in June by President Clinton on enhancing
13 our current system of Marine Protected Areas.

14 EPA has a specific task in that executive order to propose
15 and strength our Clean Water Act Section 403 regulation which is ocean
16 discharge criteria for point sources into the ocean waters, such as
17 municipalities or oil platforms that would be discharging into ocean
18 waters. We are doing that. We will also be setting specific sites in the
19 oceans, special ocean sites, for special protections, more stringent
20 protections.

21 I am just alerting you to that activity. We will be proposing
22 regulations in December or January, and that's very soon. The cruise
23 ships right now, and I don't expect any changes in this, are not involved
24 in that activity, is not regulating cruise ship discharges into those
25 special ocean sites or under the Clean Water Act, the 403.

26 I just had the opportunity to tell you what's going on, and I
27 did. All right, a couple of our specific regulatory authorities that are
28 under evaluation in this assessment that we are conducting, this is the
29 exception. This is why we do not regulate cruise ship discharges that
30 are under the NPDES permit.

31 It explicitly says and this was by regulation in 1973: "The
32 following discharges do not require NPDES permits: Any discharge of
33 sewage from vessels effluent from properly functioning marine engines,
34 laundry, shower, and galley sink waste or any other discharge incidental
35 to the normal operation of a vessel. The exclusion does not apply to
36 rubbish, trash, garbage or other such materials."

37 This is the exemption created in 1973. We did this at a

1 time when we were under great stress from a lot of other pollution
2 sources, such as, municipalities were discharging raw sewage, industries
3 were discharging without treatment through pipes.

4 We made a decision at that time. The cruise ship industry
5 was not a high priority, and would have caused us much more difficulty
6 in administration than it was worth in terms of pollution protection.

7 Now, one thing I will say is if this is repealed, and I am not
8 saying -- do not take what I say here, there are no decisions made or
9 even inklings towards what we're doing here because this exemption
10 applies not just to cruise ships, but to all vessels. All vessels, right
11 down to your fishing vessels and your recreational vessels. So if we
12 remove this then that means the NPDES permits would be required for
13 all vessels.

14 Now, one of the reasons that the exception was put in place
15 originally because we had the Clean Water Act Section 312 which
16 regulated sewage in a partnership between EPA and the Coast Guard.
17 And it requires that all vessels have properly operating marine sanitation
18 devices to treat sewage. EPA sets the standards. Coast Guard sets the
19 rules for design, construction, installation, operation, and certifies and
20 inspects those MSD.

21 The standards: There's three types of MSDs. Type three is
22 the simplest. It's a holding tank. Type one and two, you've got
23 different effluent standards. Type one is 1,000 fecal chloroforms per
24 100 ml., and no visible or floating solids; and type two is 200 fecal
25 chloroforms per 100 ml., and suspended solids not greater than 150
26 milligrams per liter.

27 One point is that there's one thing we are considering
28 looking at those standards are 20 years old. No discharge zones. Clean
29 Water Act does allow setting no discharge zones. But you it also
30 establishes the criteria.

31 One criteria is it needs to be a sensitive ecologically
32 important area that you have a no discharge zone set for. The other key
33 element is you must have sufficient pump out facilities available for the
34 sewage, and that's easier said than done, as we know.

35 Section 312 only applies out to three miles and the Coast
36 Guard is our primary enforcer of those regulations. Other statutes that
37 do apply that they have regulation associated with them you've heard

1 about already. The Marine Protection Research and Sanctuaries Act; the
2 Ocean Dumping Act. If you are transporting waste for the purpose of
3 dumping you need a permit under the MPRSA.

4 Short Retention Act sets up a permit system for vessels that
5 are transporting waste from Point A to Point B, not necessarily to dump
6 it, but transportation of waste, such as, a hauler from an offshore
7 platform to shore would have to have a permit. The Act to Prevent
8 Pollution from Ships is the Coast Guard's primary goal on their
9 environmental management systems.

10 EPA has regulatory programs. We've been known for years
11 as the command and control agency. It has worked very well for us for
12 many years. In early '90s we started looking toward broadening our
13 viewpoints, and incorporating non-regulatory programs into our activities
14 because command and control says one size fits all, and we know that
15 hasn't worked in all cases.

16 It is not the most efficient system, but it does make
17 progress. So our non-regulatory programs are listed here, and these are
18 voluntary type partnerships, federal private partnerships.

19 Green Ports, I mentioned. We partnered with the American
20 Association of Port Authorities. They developed an environmental
21 handbook that lays out the best management practices for activities in
22 ports, such as, storage, storm water runoff, and spill control and the like.

23
24 Golf and the environment we partnered with the golf
25 industry so that when they are building new golf courses or changing the
26 golf courses, they do it in an environmentally friendly manner.

27 Similarly for sustainable slopes is the ski industry building
28 new ski areas in an environmentally friendly manner.

29 The point of that slide is there are regulatory and
30 non-regulatory options. We heard today earlier in the testimony that is
31 where the debate is in this discussion. I think we are evaluating options
32 under the NPDES permit program, looking at Section 312, looking at
33 using the International Safety Management Code, Environmental
34 Management Systems are other potential options.

35 And finally our next steps in our assessment in response to
36 the Bluewater Network we do not have the answers yet. We are
37 collecting the information. We are characterizing the discharges. The

1 potential impact on the environment. Our regulatory authorities, how
2 well they're working.

3 We will prepare an assessment, a report back to Bluewater
4 Network. It has been promised several times, publicly by me, for
5 October. We hope very much to achieve that deadline, but it's also not
6 going to have all the answers.

7 It will initiate and continue this dialogue that we're going
8 through at these public hearings in terms of what it is we should be
9 doing. We will collect what information we have available and start that
10 dialogue. We will work with the Coast Guard in formulating
11 recommendations, and go public certainly with those recommendations in
12 some sort of a process.

13 And, of course, the last bullet there says we will initiate
14 actions. So we are not just planning, we will do. That is the end of my
15 remarks. What I'd like do now -- let me offer this, for the new folks
16 that have come this evening that weren't here today would any of you
17 like to make a statement or presentation? You don't have to, but you're
18 certainly welcome to, okay.

19 Please come on up and identify yourself.

20 **MR. DAVID ASHTON:** Yes, good evening. I
21 am David Ashton, environmental attorney with Morgan, Lewis and
22 Bockius. I am here personally. And what I'd like for you to consider
23 are some of these non-regulatory approaches to enhancing environmental
24 protection in relation to the cruise lines.

25 Approaches like the Memorandum of Understanding between
26 the DEP and the Florida-Caribbean Cruise Line Association which is a
27 commendable effort.

28 Historically, as has been mentioned that we have had a lot
29 of command and control regulation. Essentially the approach of beating
30 the polluter over the head until they're compliant. And as you pointed
31 out we have been moving away from those kind of approaches.

32 Today we have many alternative regulatory, economic, and
33 physical approaches to incentivize, and enhance environmental
34 compliance. David Struze is the Secretary of the DEP emphasizes that
35 environmental protection is a little bit topsy-turvy, but it involves
36 permitting pollution and taxing profits as opposed to the other way
37 around, taxing pollution and permitting profit.

1 And of course, he emphasizes this whole approach within the
2 State of Florida of more protection and less process which the
3 Memorandum of Understanding is certainly a good example of.

4 There are also other examples within the State of Florida of
5 non-regulatory approaches or alternative approaches to command and
6 control regulations such as the statutory permit which was just recently
7 enacted for the citrus industry that handles peel and omissions from the
8 citrus, oranges.

9 Other approaches, alternative approaches, include the cleanup
10 of brown peals using tax incentives, tax credits against cleanup costs and
11 a break on the regulatory process if you agree to abide by certain default
12 cleanup standards and certain basic simplified performance standards.

13 In the context of brown fields the basic approach is you
14 don't have to be beat people over the head in order to get them to clean
15 up the environment. You can use incentives, physical incentives to do
16 this.

17 So what I would like you to contemplate is instead of
18 removing these various regulatory exemptions that you went through and
19 the previous presentations went through, look to incentivize enhanced
20 environmental performance through various non-regulatory mechanisms
21 whether federal and/or state.

22 The cruise line industry globally and in Florida was recently
23 in an attempt to tax them in order to fund a local baseball stadium, and
24 I am glad that that did not pass.

25 How about the opposite approach such as creating a break
26 against state taxes that these cruise lines pay in relation to the cost that
27 they incur for an enhanced environmental management system or a
28 commitment under such an agreement as the Memorandum of
29 Understanding to implement and find an ISO 14,000 program in relation
30 to their cruise ships.

31 To actually reward them by giving tax credits for the
32 expenditures that they will incur in order to meet an enhanced
33 environmental performance standards under such environmental
34 management systems.

35 So I would urge you to contemplate some of these
36 non-regulatory approaches. Thank you.

37 **MR. CRAIG VOGT:** Thank you. Next

1 speaker, please.

2 **MR. TOM WATTS-FITZGERALD:** Good
3 evening. I'm Assistant U.S. Attorney Tom Watts-Fitzgerald and I am
4 the chief of the Environmental Enforcement Section here in the Southern
5 District of Florida based out of Miami.

6 I found the last presentation very interesting particularly in
7 light of some of the earlier ones which counsel wasn't here to enjoy.
8 There's a very simple formula that I think you can construct that
9 springboarding off the comments of many of the people here I think
10 everyone would agree is probably how you get to what we'd all like to
11 see which is arguably compliance or performance.

12 Simply put, it's technology, plus training, plus self-audit,
13 plus independent verification, equals desirable result. Unfortunately, and
14 as the Coast Guard is fond of putting it, there is always five percent that
15 doesn't get the word.

16 I think what the group needs to bear in mind is that no one
17 has the intent to try and sanction or take inappropriate activity against
18 those that are trying in good faith to comply as much as possible.

19 But, we always have to have some methodology, some
20 mechanism in every office in the government that's now called
21 compliance and enforcement, because we have moved away from a strict
22 enforcement mode, to identify and cope with those who simply, for one
23 reason or another, will not comply with the standards that are those
24 shared values one of the speakers mentioned earlier today.
25 Unfortunately she's gone now because I thought that was an interesting
26 presentation.

27 We need to learn the lessons of history so that we are not
28 condemned to repeat it. Without beating up on anybody, specifically or
29 any one company, we do have a track record in this field. And it's one
30 that can't be ignored when we want to determine what is an appropriate
31 direction to take in reconsidering the entire panorama of the regulatory
32 and statutory structures applicable to the cruise ships.

33 Because while as was just pointed out some vessels will be
34 effected potentially by any regulatory modification to something like the
35 exception for point discharges or lack of NPDES under the exceptions.
36 That can be handled. There are other vessels out there as everyone
37 associated with the maritime industry knows subject to peculiar

1 regulations or requirements.

2 I think the tanker industry alone there are numerous
3 regulations and controls on how they conduct their cargo operations, how
4 they clean their tanks, what they do with it that have developed over the
5 last 30 years that are unique to that segment of the marine industry.

6 Cruise ships, as they exist and operate today, are
7 fundamentally different. I was on my first cruise ship when I was four
8 years old, and I can tell you how many years ago that was. But back
9 then cruise ships were designed and they were liners. They got you
10 from A to B. They were transportation predominantly.

11 That is not the case anymore. It's not the case from the
12 clients of ICCL. It is not the case in the alliance of the Caribbean
13 Association either. These are fundamentally different operations never
14 falling within the contemplation of the '73 to '75 regulatory process, and
15 that has to be accounted for.

16 They may not be buildings on their sides that float in water,
17 but I'll tell you they're bigger than most of the towns in Alaska, and that
18 has to be accounted for in some way because there are areas of special
19 environmental concern.

20 A little example for those of you that are local: Biscayne
21 Bay under Dade County ordinance is a marine preserve. It butts right up
22 against the seaport. So when we talk about what may or may not be
23 purely legal under state law or federal law we maybe missing the point.

24 If you look at things like RCCL's environmental compliance
25 plan which the Coast Guard has kindly put on line you will see from
26 their quarterly reports that many of the things that they are doing exceed
27 the required standards of federal or international regulation, and that's
28 great.

29 But during the RCCL litigation one of the efforts they made
30 was to fight the exercise of the United States jurisdiction in the ports
31 over their activities. Two cruise lines, now, two major cruise lines, are
32 telling us or have told us they have no discharge policy within 12 miles
33 or three miles or certainly in the internal waters of the State of Florida.
34 Great. Even were it otherwise legal, that's a tremendous step to take.

35 But they're adjacent to very sensitive areas and that should
36 be factored in. You can't ignore those things. I think a little run down
37 to some of the facts are useful because a lot of people who should know

1 facts of the cruise prosecutions, as they have been collectively referred
2 to, don't really know them.

3 Just to prove to you I am not making them up, I'm going to
4 tell you where to find them. Not in my version, but in the version of
5 the federal court signed by Royal Caribbean Cruise Line.

6 The Government and RCCL agreed in joint statements of
7 facts filed with the court what really happened and when it happened.
8 There are two sets of those because there were successive prosecutions.

9 As early of October 1994 Sovereign of the Seas was detected
10 issuing oily bilge waste entering the Port of San Juan in broad daylight,
11 highnoon, jets overhead, Coast Guard small boats in her wake sampling,
12 lying by the crew, subornation of perjury by vessel officers, all proven,
13 all admitted.

14 Not a very laudable incident in the company's history. Did
15 the CEO and the present condone that? Of course not. But that's not
16 the problem. The problem is there's a disconnect in the human element.
17 The human factor that was discussed, and no amount of training changed
18 that. Because you all know, because of statements here and the history
19 that the regulations they were supposed to comply with were not new.
20 These went back to the '70s.

21 Yet, in 1994 they were violated, ignored and undermined by
22 false records being kept and presented to the Coast Guard and the
23 Classification Societies. That was going on for at least five years before
24 Sovereign of the Seas was detected dumping the oil.

25 Now, you'd say that's a wake up call because there are
26 experienced people on every cruise line. Every cruise line based on my
27 experience operates roughly the same way. They've all got something
28 equivalent of a marine operations department with experienced personnel
29 who oversee the operations of the vessels. Maybe one or two vessels a
30 piece.

31 They all came off ships by and large or been in the industry
32 for a long time, many of them are licensed chief engineers or better;
33 very experienced.

34 They knew what was going on because they knew the oil
35 water separators weren't working. Many of them during their ship board
36 experience had engaged in the same pattern of fraud.

37 Why was it going on, not only in the early '90s, but past the

1 early '90s even after individuals throughout the industry knew that one
2 company had been detected, that there were investigations?

3 Everything was overt. It was in the press. You could read
4 it. It was on the news. There was no secret. There are dozen of round
5 table organization we've heard about here and in other public meetings
6 where consultation goes on amongst the industry members through their
7 organizations and others.

8 Why didn't it stop? Because it didn't. You heard mentioned
9 from one of the earlier speaker that it was not occurring at a certain
10 point. That was incorrect. The activity went past the first plea by
11 Royal Caribbean to the illegal conduct. They pled in June of 1998.
12 July of 1998 they were still doing it in Port Everglades.

13 People aboard vessels, licensed officers aboard foreign flag
14 vessels in the internal waters of the United States, were still doing it.

15 Falsifying records, lying to the Coast Guard, and illegally
16 discharging.

17 What went wrong? Was it their training? No, because they
18 all knew they weren't supposed to do that. They just did it anyway.
19 There's always that five percent that the Coast Guard likes to point to
20 who don't get the word and there has to be a methodology for dealing
21 with them.

22 The exception to the NPDES permit has been so grossly
23 abused by the industry that it needs to be seriously re-evaluated. And I
24 say that based on the statements of facts that are in the public record.

25 It was abused because there is a definition and it says what
26 constitutes gray water. When you take something that is not in that
27 definition and you knowingly insert it into that waste stream, you have
28 tainted the waste stream in view of the Depart of Justice so that it is no
29 longer subject to that recommendation.

30 That being the case, it shouldn't have happened. But nobody
31 identified that conduct for a lengthy period of time. That particular
32 conduct, in fact, became a basis by and large for the second set of
33 indictments against Royal Caribbean in the six different districts. Again,
34 look at the statement of facts. It's a matter of public record.

35 By approximately September of '99 the RCCL case had really
36 lapsed except for the court ordered environmental compliance plan. As I
37 said before the company is doing things that are beyond that plan.

1 Why? Well, you'll have to ask them, and I think they probably
2 presented that in another forum.

3 How, is the more interesting question, how are they beating
4 the standards that seemed so tough in 1973? Research, technology,
5 training, independent audits, self-audits, that's how it's being done. But
6 none of that's rocket science. That is so self-evident we all should have
7 tripped over it a lot sooner.

8 Here, I don't spare my former agency the Coast Guard and I
9 don't spare the class societies. For a lot of very practical reasons
10 neither of those two enforcement methodologies detected what was going
11 on and stopped it.

12 In the Coast Guard's defense they were affirmatively being
13 lied to, and they see those ships as you heard from Commander Kirk's
14 presentation about four hours every three months. Maybe six hours if
15 they're lucky once a year. It is virtually impossible to detect that kind
16 of pervasive fraud.

17 But we need a system, whatever is done with the regulations
18 that can do that. Because if we can't, we fall into the trap of the Cold
19 War. We don't have trust with verification.

20 There has to be verification because there will always be the
21 rogue employee or there will always be the economic motivation for
22 anybody who's, perhaps not as successful as someone else to cut corners
23 and violate the rules. That's human nature. And we have to plan
24 against that small group.

25 So self-auditing, self-adopted voluntary standards that even
26 become a part of the environmental management system of a vessel that
27 is enforceable through the IMO process are not sufficient.

28 One of the legal experts that was presented in this case was
29 a former Attorney General of the United States. And one of his favorite
30 expressions was, "That conscience is the small voice that says someone
31 might be watching." And this is an area where everyone needs to have a
32 conscience.

33 And so the companies set it up and they do their internal
34 audits, their external audits, there's the Coast Guard, but you need that
35 because we know that the classifications societies they have, even
36 Lloyd's failed.

37 The record in these cases failed to detect the illegal activity.

1 Activity, according to the lawyers presentation I heard earlier should
2 have led to the suspension of the certificate. The IOPPC. Without that
3 the Coast Guard would not permit that vessel to carry passengers in and
4 out of the United States.

5 In fact, their flag state should take effective enforcement
6 action. And everybody here being a pretty knowledgeable group has
7 seen the GAO Report. A matter of public record. They tracked the
8 enforcement of the flag states. Is it efficacious? I think a pretty fair
9 argument can be make that it's a paper tiger. It is not efficacious.
10 Hasn't been since the mid-90s.

11 So that can't be relied on, although, it's often tossed out as a
12 methodology. Let me ask a question, how many times has a cruise ship
13 certificate been lifted? I can't find an instance of it. Somebody out
14 there will probably enlighten me and say, "Boy are you off the hall,
15 there's dozens of them." I don't know of any.

16 I also don't know of any instances during the time frame that
17 we were looking at where the Coast Guard would hold port clearance of
18 a foreign flag cruise ship in the United States, but one. I know of at
19 least one, and I think it was up in Philadelphia.

20 Extreme case had nothing to do with minor pollution matters.
21 They were SOLAS matters. Safety of life at sea matters. That's when
22 the Coast Guard sees something. You don't have your life rafts, they
23 will stop you. But in this area historically the expertise has been
24 unfortunately a little bit less.

25 The time isn't there and the Coast Guard traditionally is a
26 safety, life at sea organization. They look at the boats, and the radio
27 and the bridge, and if the propeller keeps turning and there's not water
28 gushing in through visible holes they're probably not going to hold you
29 up on your pollution stuff as long as there isn't a big black hose trailing
30 all over the side.

31 That's just the reality given the constraints on that agency.
32 Self-audit it a wonderful thing, but those occurred and they were
33 ignored. There actually was an audit that advised one of the companies
34 that they had been putting into their gray water substances that took it
35 out of the definition.

36 An auditor presented that. Nothing was done about it.
37 Seven months later when the auditor came back found exactly the same

1 thing. That can't be allowed to happen. Effective responsive action has
2 to be taken.

3 Why didn't the classification side pick up on that? All they
4 had to do was ask for the report. All they had to do was say you have a
5 minor or major corrective action. Take it. It didn't happen.

6 Credible enforcement is not an effective way to secure
7 compliance. I would be the first to admit it despite the fact that that's
8 how I make my living. I mean I put people in jail. That's what I do.

9 There are plenty of other people, there's plenty of other
10 organizations and the cruise industry shouldn't be constantly popping up
11 on our radar screen as one of the problem sources. Because the
12 technology is now there, and hopefully the conscience is there.

13 And if we have to be part of the conscience, if one of the
14 reasons some company has never been charged has somebody doing a
15 hazardous analysis of their vessels, has oilers doing waste streams
16 analysis are figuring out that they think they need to modify their IOPP
17 certificate and add ballast on to it to now become sewage holding tanks
18 or great water holding tanks, that's great.

19 You know, the guy in the white hat and mask used to say:
20 My work here is done. Let's get out of town, because we'll never see
21 another cruise name or company's name appearing in the charging
22 instrument in federal court.

23 If cruise ships don't exist today as they did when the rules
24 were made, then it is time for a serious look, and I think Bluewater has
25 probably done us all a favor by putting a point on that.

26 I really have nothing further to say unless anybody has any
27 questions. These are just some observations. Except for one thing,
28 never believe a lawyer when he says he only has one question left.

29 Other countries seem to deal with this in some pretty
30 interesting ways. Bermuda has some of the most restrictive regulations
31 for discharge in their coastal waters and I think it might be very
32 informant to look at what some of the other countries are doing.

33 We all know about the non-discharge zones, the special areas
34 under IMO, but it also seems to make for reviewing a lot of records and
35 doing a lot of nosing around some of the northern European countries,
36 who in fact, are the flag states for many of the vessels we've been
37 dealing with have a system that doesn't permit very much discharge to

1 the ocean.

2 We've heard that in fact there is a capability, at least in
3 Miami, for taking substantial quantities of liquid waste or waste streams
4 off cruise vessels in Miami.

5 Maybe we need a role implementation. Maybe as the last
6 speaker said, there needs to be some economic incentives or tools built
7 in to encourage that. But in a capitalistic system if there's an incentive
8 there and somebody can make a profit off it, it will happen.

9 And I think we're too willing and have been to willing to
10 simply say, "We all know they're not there, and they won't be there."
11 Because if we have the will we can ensure to a variety things as they
12 become available. And even if they're not in all ports immediately, it's
13 the direction you may think most appropriate to go in after looking at
14 the experience of others. Thank you.

15 **MR. JIM WALSH:** Tom, Jim Walsh, Carnival
16 Cruise, I've got a question for you. It is a question. So from your
17 experience over the last five, eight years in looking at this clearly you
18 must have gone to the root cause of how Coast Guard inspection process
19 with oil water separators and indicators could have missed this?

20 **MR. TOM WATTS-FITZGERALD:** I'll give
21 you a perfect example of how they missed it. There's an oil separator
22 aboard the vessel, and that's going to make an eight or ten hour turn
23 around in Miami and the Coast Guard's got three or four hours on board.
24 They've got to get the incoming passengers off, most of the crew is
25 going to be tied up fueling and preparing for the next voyage.

26 There's going to be crew turnover, and you've got to get
27 another whole load passenger on board and in the meantime you're going
28 to do a fire drill, you're going to launch half of that vessel's boats,
29 you're going to inspect documents on the bridge, you're going to inspect
30 some bridge equipment, and then you're going to go around and question
31 individual crew members as well.

32 You're going to do a walk through of the vessel two times
33 the size of a football field. That's only part of the problem.

34 **MR. JIM WALSH:** Right, but my point is now,
35 you realize that the Coast Guard does operate the oily water separator
36 indicator in the port?

37 **MR. TOM WATTS-FITZGERALD:** We have

1 direct testimony in the case from crew members that they specifically
2 did not use the oily water separator so that when the Coast Guard came
3 on and said fire it up, it would work. That's your answer.

4 **MR. JIM WALSH:** But what I'm looking for,
5 is again, I'm trying to be pro-active here. So from your vast experience
6 how do we set up the inspection process so you feel comfortable so that
7 when the Coast Guard says run it, it's been working the way it's
8 supposed to be working and it gives you assurance that that equipment
9 works?

10 **MR. TOM WATTS-FITZGERALD:** There are
11 two elements to your question. One is, does the equipment run and is it
12 used; and two, does it perform to its design standard? The second one
13 is the more difficult question. The first one is not so difficult because
14 everybody out there building new vessels are building essentially a glass
15 engine room.

16 Everything is done back in the control room. There's a
17 computer monitoring all of the equipment. There's alarm systems. You
18 know when it's on and when it's off. In a perfect world if I were a
19 Coast Guard inspector or OCMI in a particular district and I had to deal
20 with a cruise ship the first thing I'd say is print me out your engine logs
21 for all of your oil water separator alarms for the last 90 days.

22 I would tell the Captain, or the Master rather, the moment I
23 walked on board and I'd take it back to the office with me. Next week
24 while the vessel is down there feeding the tourists little drinks with
25 umbrellas, I'd have one of my MK3's or 2's or 1's or even maybe an
26 officer going through that saying, "Okay, what are they doing?"

27 You build an experience level so that some day hopefully,
28 and you train the people obviously to this, you can tell from that report
29 whether it even make sense. Because we know that the vessels in these
30 cases were gun decking entries. They were putting entries specifically
31 to fool the inspectors who looked at the log.

32 I mean the Coast Guard is not stupid. When they would
33 come down and look at a log they say, "Have they been using the oil
34 water separator? Are there any entries at all?" Because every ship
35 generates one of the bilge pumps. It's pretty much a given.

36 **MR. JIM WALSH:** But my question from your
37 vast experience --

1 **MR. TOM WATTS-FITZGERALD:** You keep
2 saying vast.

3 **MR. JIM WALSH:** I don't know how much
4 experience -- you were part of the Coast Guard at one time.

5 **MR. TOM WATTS-FITZGERALD:** They're not
6 happy when I say that anymore. They'd probably prefer you didn't
7 either. I don't want to be another ex-Coast Guard Officer living off of
8 my --

9 **MR. JIM WALSH:** I can understand why they
10 say that about you.

11 **MR. CRAIG VOGT:** Excuse me, can we bring
12 this to a close. It's a serious question and responses and we've got a
13 court reporter that has to listen and try to hear you, so please one at a
14 time.

15 **MR. JIM WALSH:** The serious question is if
16 you have a solution we'd love to hear it. We understand that the
17 Partnership Action Team of the Coast Guard has taken this up, and they
18 took it up last year and they have decided to come up with a testing
19 methodology nationally to determine that. But if there's something that
20 we could get and gain from what you've learned, it would be great.

21 **MR. TOM WATTS-FITZGERALD:** On the
22 actual performance that it's meeting of 15 part or 10 part or a 5 part I
23 really have nothing to contribute to that because I'm not a design
24 engineer on that. But what I can tell you is, you need to make sure
25 people aren't running fresh water past the sensors on the piece of
26 equipment that can get you down below 15. That's what was happening.

27 I deal with fraud and crime. The engineering solutions there
28 are people that can do that and I have no doubt that the Coast Guard can
29 come up with a methodology to ensure that the equipment performs as
30 designed.

31 **MR. CRAIG VOGT:** Okay, thank you. Ted.

32 **MR. TED THOMPSON:** Just like to make a
33 couple of comments with regards to the last presentation. I've heard a
34 lot said that the Coast Guard doesn't have time to look at the
35 environmental systems when the Coast Guard is on board our ships on
36 regular occasion. And it may use its time however it chooses to its
37 time. Whether it chooses to use its time to look at the environmental

1 systems or safety systems or do paperwork review that has been
2 previously looked at.

3 The ships are in port on a regular basis and they can come
4 down again. With regards to detentions, the question was has the Coast
5 Guard ever detained a vessel and why didn't Class pull its certificate on
6 those vessels.

7 The Coast Guard has detained cruise ships and other ships
8 and they do it for a reason. And Class pulls certificates on vessels and
9 they do that for a reason. However, they do not do it for a punitive
10 reason. They do it for an environmental reason or a safety reason.

11 Once that reason has been corrected then that class
12 certificate is retained or returned or the detention is lifted and the vessel
13 is allowed to move on. They do not use it as a punitive action without
14 any type of judicial due process.

15 Finally, we have heard a lot talk about voluntary standards
16 versus mandatory oversight. I think it would be inappropriate for
17 anybody, I hope the EPA would not take away from these meetings that
18 the cruise industry or any of our members or myself are suggesting that
19 there should be no regulation or no oversight or no jurisdiction of the
20 Coast Guard or anybody else and that it should be an entirely voluntary
21 system.

22 Certainly when we talk about implementing procedures or
23 whatever that are above and beyond the regulations, how can they be
24 anything but voluntarily. Because if the regulations don't require it and
25 you're doing it, it's voluntary.

26 But that doesn't mean there shouldn't be oversight. I don't
27 think that there was anybody here that is advocating that we go to a
28 totally voluntary system. I would not like the previous comments or any
29 other comments to be taken in that manner. Thank you.

30 **MR. CRAIG VOGT:** All right, thank you.

31 I did ask Ted Thompson and Kira Schmidt if they would
32 summarize their statements of earlier today, however, I am not sure we
33 need to do that. I think we've gotten a flavor of some of the discussion.
34 You have the opportunity if you wish, but do I see anybody else who
35 would like to make a statement?

36 And do I have an overwhelming response on requesting or
37 not requesting that those two statements to be summarized this evening?

1 Any strong feelings from the crowd, happy hour is not very far away.

2 **MS. KIRA SCHMIDT:** I would like to make a
3 couple of comments, but I don't need to summarize.

4 **MR. CRAIG VOGT:** All right. What she said
5 was she would like to make a couple comments but not summarize her
6 earlier statement. That would be fine.

7 **MS. KIRA SCHMIDT:** Hi, I'm Kira Schmidt,
8 Bluewater Network. I was summarizing some of the findings of the
9 GAO Report earlier of cruise ship pollution incidents and it was noted
10 by a later speaker that the number of the detected incidents over the six
11 year period that the GAO looked at went down during that time.

12 I just wanted to reiterate what the GAO Report said which
13 was that there are some serious issues with the Coast Guard's ability to
14 detect and resolve marine pollution incidents -- violations, I'm sorry.

15 And those include the narrow scope to its routine
16 inspections, significant reduction in aircrafts surveillance for marine
17 pollution purposes during that period, and a significant breakdown in the
18 process for identifying and resolving alleged violations to flag states.

19 I was talking earlier about the environmental compliance
20 reports and ship audits and some additional violations that those have
21 revealed in the interim, the last couple of years, and Nancy Lee
22 commented that for the three month period ending January 31st, 2000,
23 for example, I noted that seven environmental incidents of spills and
24 malfunctions occurred.

25 Nancy said that most of these incidents are minor, and
26 frankly, that doesn't make them okay. If seven environmental incidents
27 are occurring in three months by one cruise company, the cumulative
28 impacts of these, if you're looking at it throughout the whole industry,
29 are not minor and not insignificant.

30 On a closing note, it was mentioned earlier that rule making
31 takes time. That doesn't mean it shouldn't be done. The sooner we
32 start, the better it will be.

33 The MSD standards which allowed permit exemptions were
34 formulated 20 years ago, as we've heard, and it's time to update them
35 and in light of the changes in the cruise industry and findings of what
36 went on up in Alaska.

37 We don't think regulatory measures are mutually exclusive

1 from voluntary industry initiatives. We hope that the cruise industry
2 won't discontinue its voluntarily environmental initiatives if EPA calls
3 for regulatory measures. That's all I have.

4 **MR. CRAIG VOGT:** Okay, thank you very
5 much. And one more statement to the microphone.

6 **MR. JIM WALSH:** Jim Walsh, Carnival Cruise
7 Lines. One thing that we haven't gone over or it hasn't come up yet and
8 the attorney from the Department of Justice brought it up, but no one
9 has kind of centered on it, and I would hope that the EPA would look at
10 it. In the State of Florida where our cruise ships call on there's not one
11 lift station to take our gray and black water, not one.

12 In the State of California, there's not one lift station
13 provided to us at port to take our gray and black water. In the State of
14 Alaska there's not one lift station provided by the ports to take our gray
15 and black water.

16 The amount of gray and black water that has been off loaded
17 in these ports is a significant investment by these companies, a
18 committed environmental investment, but the ports have not been an
19 active partner.

20 Now, the EPA taking a look at that and combining it with
21 the attorney and also the attorney from the Department of Justice here's
22 an incentive. You talk to the ports, work with the ports, the EPA, you
23 put those lift stations in and then even the companies that can't invest
24 that capital expense in older tonnage and retrofitting it can hook up to
25 those lift stations.

26 Satish didn't bring this up and I'd hoped you would in your
27 talk about the MOU and the discussion with the Memorandum of
28 Understanding the ports of Florida were brought into it. And the ports
29 have stated unequivocally, they don't want any part of being a Haz-Mat
30 holder, satellite facility or anything else.

31 Their preference is ship in the generator, the vendor comes
32 on board, the vendor takes it out of their port because they don't want
33 any responsibility for it, they don't want any spills, et cetera.

34 And I believe that's what the Department of Environmental
35 Protection and the FCCA has agreed on and that's what we fully support.
36 Thank you very much, Craig.

37 **MR. CRAIG VOGT:** Okay, thank you.

1 Winding down. I think I would like to adjourn. I want to
2 say thank you very much for those of you who have been with us for all
3 three locations, and for those of you who have been at just two
4 locations.

5 It's been very instructive to me, and I am sure to my friends,
6 all of us. We have an overwhelming amount of information, ideas,
7 thoughts, and also a whole lot of holes in information and data.

8 It's incumbent upon all of us to come to the correction
9 conclusions. I think we're going to have a further public dialogue on
10 this in terms of the national picture. I don't know when that's going to
11 be yet. I know we're going to have something soon for all of us to sort
12 of start digesting and working on in terms of the report back to
13 Bluewater Network.

14 But again, we're only a month away and I should have lots
15 of answers, but I don't. We have a lot of work to do in the next month,
16 but we will endeavor to do that. We will certainly work with our
17 partners the Coast Guard. I am real serious when I say there's going to
18 be a public dialogue. It won't be in closed-in smoke-filled rooms.

19 We have an open process, and I hear a lot of -- in all three
20 hearings I've heard a very serious willingness to move forward on better
21 environmental control. I think that's something very unique.

22 I have worked with industries, environmental industries for
23 many years, and this particular industry I'm hearing a willingness to
24 move forward in the best way forward, and the best manner possible
25 within reason. I have heard stories from different industries. So there
26 are honest differences of opinion on how fast it can move, what can be
27 done, but we will all work that out together.

28 I want to thank the panel. Thank you very much, gentlemen.
29 Certainly thank Bob Howard for arranging this gathering and providing
30 us with a close by happy hour. With that, thank you very much.
31 (**WHEREUPON**, the Meeting was adjourned.)

32 **CAPTION**

33
34 The Meeting in the matter, on the date, and at the time and place set out
35 on the title page hereof.

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37 It was requested that the Meeting be taken by the reporter and that same

1 be reduced to typewritten form.
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