

STATEMENT
OF
RICHARD E. BOWMAN
ASSOCIATE ADMINISTRATOR FOR MARITIME AIDS
ON
BEHALF OF
THE
MARITIME ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
BEFORE THE
SUBCOMMITTEE ON OCEANOGRAPHY
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE
ON ISSUES CONCERNING THE INCINERATION OF
HAZARDOUS WASTE AT SEA

DECEMBER 3, 1985

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MARITIME AIDS, MARITIME ADMINISTRATION, BEFORE THE SUBCOMMITTEE
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MADAM CHAIRWOMAN AND MEMBERS OF THE SUBCOMMITTEE. MY NAME IS RICHARD E. BOWMAN, AND I AM THE ASSOCIATE ADMINISTRATOR FOR MARITIME AIDS OF THE MARITIME ADMINISTRATION. I AM ACCOMPANIED BY LEON D. SANTMAN, SPECIAL ASSISTANT TO THE MARITIME ADMINISTRATOR (TRANSPORTATION SYSTEMS). I APPRECIATE THE OPPORTUNITY TO APPEAR AT THIS OVERSIGHT HEARING.

THE MARITIME ADMINISTRATION'S (MARAD) DIRECT INTEREST IN THE INCINERATION OF HAZARDOUS WASTES AT SEA IS IN THE CONTEXT OF SHIPBUILDING OPPORTUNITIES AND THE DEVELOPMENT OF THE U.S. MERCHANT MARINE. MARAD BECAME INVOLVED IN THE SUBJECT OF OCEAN INCINERATION IN THE MID-1970'S, WHEN MARAD AND EPA CONDUCTED A NUMBER OF STUDIES CONCERNING TECHNICAL, ENVIRONMENTAL, SAFETY AND ECONOMIC ISSUES OF INCINERATING HAZARDOUS WASTES AT SEA. DURING THIS PERIOD, THE 1978/79 INTERNATIONAL STANDARDS FOR INCINERATION AT SEA WERE DEVELOPED AND APPROVED UNDER THE AUSPICES OF THE INTERNATIONAL MARITIME ORGANIZATION. EPA HELPED DEVELOP THESE STANDARDS, AND MARAD ASSISTED EPA ON TECHNICAL MATTERS.

INCREASING INTEREST IN OCEAN INCINERATION RESULTED FROM THE EVER-RISING ACCUMULATION OF HAZARDOUS WASTES IN THE UNITED STATES. IN 1981, 264 MILLION METRIC TONS OF INDUSTRIAL HAZARDOUS WASTES WERE PRODUCED (ACCORDING TO EPA).

THE SERIOUS ENVIRONMENTAL AND PUBLIC HEALTH PROBLEMS ASSOCIATED WITH DISPOSAL SITES PROMPTED FEDERAL AGENCIES TO STEP-UP EFFORTS TO EXAMINE TECHNOLOGIES FOR TREATMENT AND DESTRUCTION OF WASTE MATERIALS. HIGH TEMPERATURE INCINERATION WAS FOUND TO BE THE MOST EFFECTIVE WAY TO DESTROY COMBUSTIBLE HAZARDOUS WASTES.

IN FEBRUARY 1980, AN INTERAGENCY WORK GROUP CONSISTING OF REPRESENTATIVES OF EPA, MARAD, COAST GUARD AND THE NATIONAL BUREAU OF STANDARDS UNDERTOOK A STUDY OF OCEAN INCINERATION AND THE ALTERNATIVES AVAILABLE TO THE FEDERAL GOVERNMENT FOR ENCOURAGING THE DESIGN, CONSTRUCTION, AND OPERATION OF U.S.-FLAG INCINERATOR SHIPS. THE WORK GROUP EXAMINED PREVIOUS INCINERATION OPERATIONS, VARIOUS FEDERAL ASSISTANCE PROGRAMS, SAFETY AND CONTROL MEASURES, INCINERATOR SHIP CONCEPTUAL DESIGNS, ENVIRONMENTAL IMPACTS, AND WATERFRONT FACILITIES. IN SEPTEMBER 1980, THE WORK GROUP ISSUED ITS REPORT AND CONCLUDED THAT CHEMICAL WASTE INCINERATION AT SEA, ABOARD SPECIALLY DESIGNED AND EQUIPPED SHIPS, IS "AN EFFECTIVE AND ENVIRONMENTALLY ACCEPTABLE TECHNOLOGY" FOR DESTROYING COMBUSTIBLE LIQUID HAZARDOUS CHEMICAL WASTES. IT FURTHER CONCLUDED THAT AN ACCELERATED AND COORDINATED FEDERAL EFFORT SHOULD BE INSTITUTED TO ESTABLISH CHEMICAL WASTE INCINERATOR SHIP CAPABILITIES IN THE UNITED STATES.

BY MEMORANDUM OF OCTOBER 8, 1980, THE ADMINISTRATOR OF EPA AND THE ASSISTANT SECRETARY OF COMMERCE FOR MARITIME AFFAIRS NOTED THE SERIOUS ENVIRONMENTAL AND PUBLIC HEALTH PROBLEMS ASSOCIATED WITH STORAGE OF TOXIC CHEMICAL WASTES ON LAND . THEY APPROVED THE RECOMMENDATION ISSUED BY THE WORK GROUP, WITH THE COMMENT, AMONG OTHERS, THAT STRONG EMPHASIS SHALL BE PLACED ON UTILIZATION OF PRIVATELY-OWNED U.S.-FLAG INCINERATOR SHIPS.

AS A RESULT OF THE OCTOBER 1980 AGREEMENT BETWEEN MARAD AND EPA, THE WORK GROUP WAS EXPANDED AND REDESIGNATED THE INTERAGENCY REVIEW BOARD FOR THE CHEMICAL WASTE INCINERATOR SHIP PROGRAM (IRB). THE PURPOSE OF THIS BOARD WAS TO MONITOR AND COORDINATE FEDERAL GOVERNMENT ACTIVITIES RELATED TO DEVELOPING U.S.-FLAG INCINERATOR SHIP CAPABILITIES IN THE UNITED STATES. MARAD'S CHIEF INTEREST IN THE WORK OF THIS BOARD AND IN THIS SUBJECT OVERALL WAS TO ENCOURAGE THE CONSTRUCTION OF THE MOST SUITABLE AND SAFE VESSELS IN U.S. SHIPYARDS AND THEIR OPERATION UNDER THE U.S.-FLAG.

ON NOVEMBER 18, 1980, MARAD RECEIVED AN APPLICATION FOR GUARANTEES FROM AT-SEA INCINERATION, INC., TO AID IN THE FINANCING OF TWO INCINERATOR VESSELS UNDER THE TITLE XI PROGRAM. IN APRIL 1982, MARAD ISSUED A TITLE XI LETTER

COMMITMENT TO FINANCE THE CONSTRUCTION OF TWO U.S.-FLAG VESSELS (APOLLO VESSELS), OUTFITTED WITH INCINERATORS. MARAD'S DECISION TO PROCEED WITH THE PROJECT WAS BASED ON FAVORABLE SUPPORTING TECHNICAL EVIDENCE AND ECONOMIC PROJECTIONS. ALTHOUGH EPA HAD NOT YET PROMULGATED PERMITTING REGULATIONS FOR INCINERATION AT SEA, BECAUSE OF THE LONG LEAD TIME REQUIRED IN SHIP CONSTRUCTION PROJECTS, MARAD DID NOT DELAY COMMENCEMENT OF THE PROJECT. FURTHER, EPA ADMINISTRATOR COSTLE'S APPROVAL OF THE INTERAGENCY WORK GROUP REPORT AND RECOMMENDATIONS IN OCTOBER 1980 SIGNIFIED TO MARAD EPA'S DESIRE TO SEE THE EARLY DEVELOPMENT OF AT SEA INCINERATION CAPABILITY IN THE UNITED STATES. MOREOVER, EPA PERMITS AND REGULATIONS WERE IN PLACE FOR LAND BASED INCINERATION OF TOXIC CHEMICAL WASTES. HENCE, THERE WAS NO REASON FOR MARAD TO EXPECT A DELAY BY EPA IN PROMULGATING REGULATIONS FOR OCEAN INCINERATION OF TOXIC CHEMICAL WASTES.

THE INCINERATOR VESSELS WERE UNDER CONSTRUCTION AT TACOMA BOATBUILDING COMPANY; ON SEPTEMBER 23, 1985, TACOMA BOATBUILDING COMPANY FILED FOR PROTECTION UNDER CHAPTER XI OF THE BANKRUPTCY ACT. AT-SEA INCINERATION, INC. WAS NOT INCLUDED IN TACOMA BOATBUILDING COMPANY'S BANKRUPTCY FILING. ALL WORK ON THE TWO APOLLO VESSELS STOPPED AT THAT TIME. ON NOVEMBER 18, 1985, MARAD RECEIVED A NOTICE OF DEFAULT BY AT-SEA

INCINERATION, INC. ON ITS TITLE XI OBLIGATIONS AND A DEMAND WAS MADE FOR PAYMENT UNDER THE GUARANTEES. PAYMENT WAS MADE NOVEMBER 19, 1985 AND CONSISTED OF PRINCIPAL OF \$59.4 MILLION AND INTEREST OF \$4.4 MILLION. NO ESTIMATE OF DELIVERY CAN BE MADE AT THIS TIME.

SINCE APPROVAL OF THE APOLLO LETTER COMMITMENT, CONGRESS PASSED LEGISLATION (P.L. 97-389) WHICH DESIGNATES THE TRANSPORTATION OF HAZARDOUS WASTE FROM A PORT IN THE UNITED STATES FOR INCINERATION AT SEA AS SO-CALLED JONES ACT OR DOMESTIC TRADE. THE TRADE IS THEREFORE LIMITED BY LAW TO U.S.-FLAG VESSELS WHICH ARE BUILT IN THE UNITED STATES, OWNED BY U.S. CITIZENS AND CREWED BY AMERICANS. TWO EXISTING FOREIGN-BUILT INCINERATOR SHIPS, THE VULCANUS I AND VULCANUS II, WERE GIVEN "GRANDFATHER" RIGHTS IN THE SAME LEGISLATION, PROVIDED THAT EXPLICIT CONDITIONS FOR THEIR INSPECTION AND OUTFITTING WERE MET. THESE SHIPS ARE NOW OWNED BY AN AMERICAN COMPANY.

MARAD CONTINUES TO MAINTAIN CONTACT WITH EPA AND REGULARLY REVIEWS THE STATUS OF THE PERMITTING PROCESS. MARAD HAS ALSO COMMENTED ON THE DRAFT PROPOSED OCEAN INCINERATION REGULATIONS.

MADAM CHAIRWOMAN, IN YOUR LETTER OF INVITATION YOU ASKED THAT MY TESTIMONY FOCUS ON FOUR MAJOR POINTS. I HAVE ADDRESSED THE MARITIME ADMINISTRATION'S ROLE IN THE DEVELOPMENT AND

REGULATION OF OCEAN INCINERATION TECHNOLOGY AND OUR ROLE IN THE ONGOING INTERAGENCY COORDINATION ON THE REGULATION OF OCEAN INCINERATION. THE MARITIME ADMINISTRATION HAS NO REGULATORY OVERSIGHT RESPONSIBILITIES CONCERNING OCEAN INCINERATION, INCLUDING FUTURE RESEARCH BURNS.

MADAM CHAIRWOMAN, THAT CONCLUDES MY PREPARED STATEMENT. I WILL BE PLEASED TO ANSWER ANY QUESTIONS THAT YOU OR THE MEMBERS OF THE SUBCOMMITTEE MAY HAVE.