

3. SPECIAL PROJECTS AND REPORTS

A. Freight Transportation (GAO)

The U.S. General Accounting Office (GAO) has published a report (GAO-04-165) titled *Freight Transportation: Strategies Needed to Address Planning and Financing Limitations*. The strong productivity gains in the U.S. economy have hinged in part on transportation networks working more efficiently. The nation's ports, which handle 95 percent of overseas freight tonnage, are a key link in this network, and efficient intermodal links between ship, rail, and highways are vital to continued productivity gains. Dated December 2003, the report addresses: (1) the challenges to freight mobility; (2) the limitations that key stakeholders have encountered in addressing these challenges; and (3) strategies that may aid decision makers in enhancing freight mobility.

The major challenges to freight mobility share a common theme – congestion. National studies point to such problems as overcrowded highways and freight-specific “chokepoints” that stifle effective intermodal transfer of cargoes. All 10 ports that GAO studied faced similar congestion-related problems. For example, many of the ports are in dense urban areas, limiting the ability to expand rail yards, roadways, and other infrastructure. Increased port security measures may exacerbate congestion if new controls drastically slow the movement of goods.

Stakeholders encounter two main limitations in addressing freight mobility challenges. The first relates to the limited visibility that freight projects receive in the process for planning and prioritizing how transportation dollars should be spent. The planning process often lacks a comprehensive evaluation approach, such as a cost-benefit framework that might result in the implementation of freight improvements to better ensure that system-wide, multimodal solutions are considered and adopted where appropriate. The second relates to limitations of federal funding programs, which tend to dedicate funds to a single mode of transportation or a non-freight purpose.

Two strategies may help address these limitations. One is to ensure that transportation planning cuts across modes and individual jurisdictions, includes coordination with freight stakeholders representing an intermodal perspective, and includes sound analytical approaches and meaningful data needed to compare the benefits of freight and passenger projects. The second is to develop a multifaceted funding approach that includes improved access of freight projects to existing funding sources and support for programs that emphasize better use of existing infrastructure. If integrated in these strategies, three principles could better assure that the freight infrastructure system provides the level of capacity and performance that makes the greatest contribution to the nation's economic well-being. These principles include promoting efficiency by embracing a “user pays” approach, establishing performance measures, and aligning incentives for planning agencies to adopt best practices.

For further information, contact JayEtta Hecker, U.S. General Accounting Office, 441 G Street, NW, Washington, DC 20548, telephone: (202) 512-2834, electronic mail: heckerj@gao.gov. A copy of the report can be viewed at the following GAO Internet Web Site: <http://www.gao.gov/cgi-bin/getrpt?GAO-04-165>.

B. Experimental Ballast Water Treatment Systems (CG)

The Coast Guard, U.S. Department of Homeland Security, announced on January 7, 2004, (69 FR 1082) an innovative program concerning the installation and testing aboard vessels of experimental ballast water treatment (BWT) systems. This program will facilitate development of effective ballast water treatment technology, which will create more options for vessels seeking alternatives to ballast water exchange. Details of the program are published in Coast Guard Navigation and Vessel Inspection Circular (NVIC) 01-04 titled *Shipboard Technology Evaluation Program (STEP): Experimental Ballast Water Treatment Systems*.

The unintentional introduction of non-indigenous species into the waters of the United States via the discharge of ships' ballast water has had a significant impact on the nation's marine and freshwater resources, biological diversity, and coastal infrastructure. In response to highly publicized ballast-facilitated invasions by several species in the Great Lakes and continuing reports of similar invasions in other waters, the Coast Guard is implementing the STEP.

The purpose of NVIC 01-04 is to implement the STEP through which foreign and domestic vessel owners/operators can apply for acceptance to install and operate experimental BWT systems on their vessels. Treatment systems will not be accepted into the STEP independent of a specific vessel. The STEP is a voluntary program available to all vessels subject to the Coast Guard's Ballast Water Management (BWM) regulations (46 CFR part 151 subparts C and D). The STEP is intended to facilitate the development of effective BWT technologies, thus creating more options for vessel owners/operators seeking alternatives to ballast water exchange.

Technology developers and vessel owners/operators have agreed on the need for incentives that will encourage the development of prototype treatment systems and shipboard testing. However, vessel owners/operators have expressed a reluctance to invest the resources to install and operate an experimental treatment system that might not meet discharge standards mandated by future regulations. To address this concern, vessels accepted into this program may be granted an equivalency to future ballast water discharge standard regulations, for up to the life of the vessel or the system, while the prototype system operates satisfactorily. The length of the period of equivalency is dependent upon the date on which the vessel applies to the experimental program. However, in the event that subsequent information on the experimental system indicates the potential for an adverse effect to the environment or a risk to the vessel or human health, the testing of the system will be discontinued and acceptance in the STEP will be withdrawn. In addition, participation in the STEP may be discontinued if a system no longer performs satisfactorily.

A copy of the NVIC may be obtained at the following Coast Guard Internet Web Site: <http://www.uscg.mil/hq/g-m/nvic/index.htm>. For further information, contact Mr. Bivan Patnaik, Environmental Standards Division, Office of Operating and Environmental Standards (G-MSO), U.S. Coast Guard, 2100 Second Street, SW, Washington, DC 20593, telephone: (202) 267-1744, electronic mail: bpatnaik@comdt.uscg.mil.

C. Discharge of Dry Cargo Residues in the Great Lakes (CG)

The Coast Guard (CG), U.S. Department of Homeland Security, issued a notice on January 13, 2004, (69 FR 1994), regarding the enforcement policy relating to the incidental discharge of dry cargo residue on the Great Lakes. The historical practice of bulk dry cargo vessels on the Great Lakes is to wash non-hazardous and non-toxic cargo residues overboard. In 1987, the U.S. Congress amended the Act to Prevent Pollution from Ships (APPS), adopting Annex V (garbage) of the 1973 International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978 (MARPOL 73/78). Under MARPOL interpretive guidelines, dry cargo residues and cargo sweepings are considered to be garbage. Strict application of the MARPOL interpretive guidelines, adopted the following year in 33 CFR part 151, banned the discharge of dry cargo residue and cargo sweepings in the Great Lakes.

To ease the difficult implementation issues that application of the MARPOL guidelines would create within the unique legal, environmental, and economic framework of the Great Lakes, the Coast Guard implemented in 1993 an enforcement policy that has been revised over the years and reissued in 1995 and in 1997. The 1997 policy is the current practice in place on the Great Lakes. The Coast Guard was directed by Congress in the 1998 Coast Guard authorization legislation to continue its current policy regarding dry cargo residues on the Great Lakes until 2002. This authorization was subsequently extended until September 30, 2004, in Public Law 106-554, pending completion of a study and formulation of a specific regulatory solution to the issue. Unless new regulations adopt elements of the enforcement policy, the Coast Guard has concluded that it has no authority to extend the enforcement policy on its own, beyond the September 30, 2004, deadline.

The study report on the discharge of vessel dry cargo residues mandated in Public Law 106-554 has been completed. Because of the effects on U.S.-flag commercial shipping on the Great Lakes of a ban on dry cargo residue discharges, the study report, among other things, recommends that the current practice of allowing vessels to discharge their incidental cargo residues into certain portions of the Great Lakes be continued. However, citing the lack of available data, it also recommends that an Environmental Assessment be performed of the long-term effects of continuing the practice. The Coast Guard intends to initiate a rulemaking and, as part of the rulemaking process, perform an Environmental Assessment in conjunction with other regulatory assessments. The analyses will assist in determining whether the regulations regarding the discharge of dry cargo residues in the Great Lakes should reflect past practice, prohibit discharges altogether, or allow for some other course of action, taking into account all the circumstances and stakeholder interests. If new regulations are not in effect by September 30, 2004, the Coast Guard will enforce the existing statutes commencing on October 1, 2004.

For further information, contact LCdr. Mary Sohlberg, Environmental Standards Division, Office of Operating and Environmental Standards (G-MSO), U.S. Coast Guard, 2100 Second Street, SW, Washington, DC 20593, telephone: (202) 267-0713, electronic mail: msohlberg@comdt.uscg.mil.

D. Marine Transportation System and the Federal Role (NRC/TRB)

The Transportation Research Board (TRB) of the National Research Council (NRC) has issued Special Report 279 titled *The Marine Transportation System and the Federal Role: Measuring Performance, Targeting Improvement*. The Marine Transportation System (MTS) encompasses not only the vessels, waterways, navigation aids, ports, and other traditional components of the marine sector, but also their connections to other modes of transportation, both public and private. As part of the broader freight transportation system, the marine sector is constantly being shaped and reshaped by economic and technological forces. At the same time, it continues to be heavily influenced by many long-standing political and institutional structures that reflect past economic arrangements and divisions of responsibility. In this study, the MTS is examined in the broader context of its role in the freight system, but with a focus on the federal government's role in supplying, financing, operating, and regulating the infrastructure and services that support the system's efficient use in the public interest.

Among the report's recommendations are the following:

1. The Secretary of Transportation should seek a mandate from Congress for the U.S. Department of Transportation (DOT) to take the federal lead in measuring, monitoring, and assessing options to strengthen the MTS's contribution to the furthering of key national interests, including commerce, environmental protection, safety, and security. While legislative authorization is imperative to sustain such an effort, DOT should assume this leadership role immediately – thereby demonstrating the value to Congress.
2. DOT should immediately begin to develop, and seek a mandate from Congress to produce on a regular basis, reports on the use, condition, performance, and demands of the MTS that are modeled after the biennial conditions and performance reports developed for the federal highway and transit programs. Not only should these reports portray current conditions and performance, they should also look to the future by assessing the funding levels and investments required for improving MTS conditions and performance over time.
3. The Administration, supported and informed by DOT and the U.S. Army Corps of Engineers, should seek from Congress the commitment to fully and promptly reinvest all user-generated revenues back into the MTS. The commitment should be accompanied by the kinds of statutory and political devices used in the federal aviation and surface transportation programs to make it binding.
4. The Secretary of Transportation should seek from Congress a more balanced set of tools to make national transportation investment and policy decisions that recognize the increasing integration of the transportation modes and the effects that federal decisions concerning one mode have on other modes.
5. The Secretary of Transportation should seek from Congress the means to undertake, in collaboration with industry and other federal agencies, an applied research and technology

program aimed at furthering the capacity, safety, environmental protection, and security of the nation's ports, intermodal connections, and other marine facilities and services.

6. As part of its efforts to measure and monitor MTS performance, DOT should aim to develop a more thorough understanding of the operations, capacity, and use of the system and of the freight system in general.

For further information, refer to the TRB Internet Web Site: <http://www.trb.org>.

E. Guidelines on Ship Recycling (IMO)

The International Maritime Organization (IMO) recently issued Assembly resolution A.962(23), dated March 4, 2004, and titled *IMO Guidelines on Ship Recycling*. The resolution, which was adopted on December 5, 2003: (1) adopts the guidelines on ship recycling set out in the annex to the resolution; (2) invites governments to take urgent action to apply the annexed guidelines, including the dissemination thereof to the shipping and ship recycling industries, and to report to the IMO Marine Environment Protection Committee (MEPC) on any experience gained in their implementation; (3) requests the MEPC to keep this matter under review with a view to further developing the guidelines in the future; (4) requests further that the MEPC consider the most appropriate means to promote the implementation of the guidelines, including a review of the progress made in achieving their intended purpose; and (5) urges the MEPC to continue cooperating with the International Labor Organization and the appropriate bodies of the Basel Convention in this field and to encourage the involvement of other stakeholders.

The ship recycling guidelines seek to: (1) encourage recycling as the best means to dispose of ships at the end of their operating lives; (2) provide guidance in respect of the preparation of ships for recycling and the minimization of the use of potentially hazardous materials and generation of waste during a ship's operating life; (3) foster interagency cooperation; and (4) encourage all stakeholders to address the issue of ship recycling.

Topics addressed in the guidelines include: (1) application and definitions; (2) identification of potentially hazardous materials; (3) the Green Passport; (4) procedures for new ships related to ship recycling; (5) procedures for existing ships related to ship recycling; (6) preparations for ship recycling; (7) the role of stakeholders and other bodies; (8) technical cooperation; (9) list of hazardous wastes and substances that are relevant to ship recycling; (10) potentially hazardous materials which may be on board ships delivered to recycling facilities; (11) inventory of potentially hazardous materials on board; (12) list of principles for hot work on board all types of ships; and (13) recommendations for entering enclosed spaces aboard ships.

For further information, contact Mr. Michael Carter, Director, Office of Environmental Activities (MAR-820), Maritime Administration, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590, telephone: (202) 366-9431, electronic mail: michael.carter@marad.dot.gov or refer to the IMO Internet Web Site: <http://www.imo.org>.