

**WRITTEN TESTIMONY
OF
ROBERT F. ZALES, II
PRESIDENT**

**NATIONAL ASSOCIATION OF CHARTERBOAT OPERATORS
OWNER: BOB ZALES CHARTERS**

**FOR THE HEARING ON
THE IMPACTS OF VESSEL DISCHARGE REGULATIONS ON OUR SHIPPING AND
FISHING INDUSTRY**

**BEFORE THE
UNITED STATES SENATE
COMMERCE, SCIENCE, AND TRANSPORTATION COMMITTEE
SUBCOMMITTEE OF OCEANS, ATMOSPHERE, FISHERIES, AND COAST GUARD**

FEBRUARY 4, 2015

Mr. Chairman and Members of the Committee, my name is Robert F. Zales, II and I am appearing today on behalf of the National Association of Charterboat Operators (NACO) and as owner of Bob Zales Charters in Panama City, Florida. My charter fishing business is a family business started by my mother and father in 1965. My parents, father 88 and mother 82, are still involved and the three of us have struggled for 50 years to keep this small business viable. I want to thank Chairman Thune, the Committee, and Senator Rubio for your kind invitation to present testimony on this critical issue.

NACO is a non-profit 501 (c) (6) association representing charter boat owners and operators across the United States including the Great Lakes. The charter boat industry in the United States consist of recreational charter fishing, diving and snorkeling tours, sailing vessels, sightseeing eco tours, dining cruises, pontoon boat and jet ski and kayak rentals, parasailing, and other on the water businesses. While we are extremely grateful to Congress for extending the current exemption from the NPDES permit requirements on our industry as well as the

commercial fishing industry, we are acutely aware of the devastating impacts of the pending requirements, regulations, and potential liability issues on our small family businesses. I mention the commercial fishing industry because a substantial number of charter for hire fishing businesses hold dual permits to allow them to commercial fish during the offseason and during recreational fishery closures in order to help their business survive.

Over recent years the charter boat industry has been inundated with Federal, State, and Local government permitting, regulations, and requirements. Many of the permits have substantial monetary fees and burdensome reporting and record keeping requirements. The requirements provide for substantial penalties which include monetary fines, permit sanctions, and possible imprisonment associated with failing to properly and timely report. Examples of the substantial number of agencies and multiple requirements placed on our industry are: Federal fishery overly-restrictive fishing seasons, bag limits and quotas, closed areas to boating and fishing, fishing gear restrictions, the Endangered Species Act, Marine Mammal Protection Act, engine exhaust emission regulations, marine protected areas, U.S. Coast Guard regulations such as manning requirements, life-saving requirements, crew licensing, crew medical fitness review and drug testing processes, navigation restrictions, FCC radio licensing and requirements, State business licenses, fishing license requirements, fishing and gear restrictions, anti pollution requirements, clean water standards, Local business license requirements, anti pollution requirements, among a host of others.

Clean water is paramount to the successful operation of these small family businesses. No one is more concerned about our environment and the condition of our natural marine resources than the families who make their living on the water. Regulations and requirements to ensure our waters are clean are already in place with the majority being enforced by the United States Coast

Guard. Even with their expanded role due to homeland security and limited budget and personnel the USCG does a tremendous job ensuring our waters are clean.

Recreational charter boats are operated as uninspected 6 or less passengers and as USCG Certificated 7 or more passenger Inspected vessels. While the USCG COI vessels have mandatory yearly topside inspections and biyearly out of the water inspections, many uninspected vessels participate in the USCG 5 star and other voluntary programs that provides similar inspections. In all cases where USCG personnel check a vessel whether at sea, a dock, or routine inspection one of the first things they look for is a clean bilge and pollution free vessel.

In April 2007 the EPA produced a “fact Sheet” providing information on the impacts of the U.S. District Court decision vacating the exclusion of vessel discharges. The information provided as of 2005 data from the USCG stated there were 13 million State-registered recreational boats, 81,000 commercial fishing vessels, and 53,000 freight and tank barges operating in U.S. waters.

The 13 million recreational boats have since been exempted from the NPDES permitting requirement. Since 2006 NACO has provided information to the EPA and Congress about the type boats that comprise the charter boat fleet. The vast majority of charter boats consist of vessels from 15’ center console outboards up to 120’ triple engine headboats and of those the majority are the same type vessels as the millions of recreational boats already exempt. The difference between the 2 is one is used for pleasure and the other used for business. Many of the USCG COI vessels are also typical recreational boats that have been modified to meet USCG COI standards. In cases where vessels are purpose built for USCG COI standards the normal operation of the vessels is similar to recreational boats except they are equipped with special wiring, piping, certified machinery, special safety equipment, and follow USCG COI standards for fuel and oil tanks, piping, bilge pumps, and purpose built pollution prevention devices. Few,

if any, charter boats have ballast tanks meaning any ballast water regulation is a moot point for charter boats.

The EPA NPDES permit will add a substantial regulatory and financial burden to an already overly burdened small family business. In addition, the potential liability with associated costs of fines, possible lawsuits, and possible imprisonment due to failure to comply with reporting requirements no matter how minor could be the final nail in the coffin to drive many small families out of business.

I am presenting a copy of the current 194 page EPA VGP for discharges incidental to the normal operation of vessels (the permit rules and regulations). The permit will require daily logging of any and all discharges with estimated amounts and condition among other issues. The VGP also authorizes civil and criminal penalties for violations of the prohibition against the discharge of a pollutant without a permit, and also allows for citizen suits against violators.

Currently deck wash, including rain runoff, and fish hold effluents are among the discharges that will require a permit to allow the discharge. In the VGP permit, fire main discharges, gray water, refrigeration and air condensate discharges, seawater cooling overboard discharges (including non-contact engine cooling water, hydraulic system cooling water, refrigeration cooling water), boat engine wet exhaust, and well deck discharges all will require a permit with the required reporting regulations. Discharges of garbage and trash will not be eligible for coverage by the permit because discharges of garbage are already covered under 33CFR Part 151, Subpart A. Currently vessel owners must provide a detailed vessel garbage plan and post it on the vessel.

The charter boats owners are small family businesses who typically handle all of the business issues from their home or vessel. They do not have a secretarial staff, do not have a large business file capacity, handle all of the day to day paper work and keep up with licensing and permit renewal schedules, and try their best to keep up with all the current regulations while trying to provide safe and enjoyable services to the public. You can imagine my 82 year old mother trying to stay on top of a 194 page VGP permit rule book to ensure compliance with recording how much rain runoff from the deck of our vessel occurred on any day.

Our industry is concerned, compliant, safe, and diligently works to maintain a clean environment. As you can see there is no significant difference between our type vessels and those recreational vessels already permanently exempt. Since 2006 our and other Associations have worked hard to gain a permanent exemption and greatly appreciate the help from Congress by continuing the temporary exemption. While you just gave us three more years we encourage you to approve legislation as soon as possible providing a permanent exemption for the multiple thousands of small family businesses so we are more confident in our future.

Mr. Chairman, this concludes this portion of my testimony. Again, I truly appreciate the invitation and opportunity to provide you and the committee with this information. I will be pleased to respond to any questions.