HOUSE JOINT RESOLUTION NO. 41

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES WILLIAMS, Bunde, Kott

Introduced: 4/6/95
Referred: House Special Committee on World Trade and State/Federal Relations, Transportation

A RESOLUTION

1 Supporting an exemption from the Jones Act for bulk commodities, such as coal
2 and coal derived fuels, produced in Alaska.
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4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
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6 WHEREAS 46 U.S.C. Appx. 861 - 889 (Merchant Marine Act of 1920), commonly
7 known as the Jones Act, requires that seaborne shipping between United States ports be done
8 on vessels that have been constructed in the United States and that are crewed by United
9 States crews; and
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11 WHEREAS this requirement has resulted in much higher costs for shipping bulk
12 commodities on United States vessels between domestic ports than for shipping those
13 commodities on foreign carriers between United States and foreign ports; and
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15 WHEREAS there are currently no bulk carriers constructed in the United States that
16 are capable of servicing the large-scale movement of Alaska coal and coal derived fuels; and
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18 WHEREAS, because the transportation cost for a high-tonnage, low-value bulk
19 commodity is often a significant part of the total delivered cost of that commodity, a higher
20 shipping cost can frequently keep a bulk commodity from being competitive; and
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22 WHEREAS Alaska coal and coal derived fuels are a potential fuel source for utilities
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and industries on the west coast of the United States and in Hawaii; and

WHEREAS the current difference between Jones Act shipping rates and foreign shipping rates has made the delivered cost of foreign coal significantly less expensive than domestic coal as evidenced by the current supply agreements between a Hawaiian independent power producer and an Indonesian coal supplier; and

WHEREAS greatly increased coal usage figures prominently in the future generation plans for Hawaiian utilities and thus will create prospective markets for Alaska coal; and

WHEREAS it is the policy of the State of Alaska under AS 44.19.035 to persuade the Congress to repeal the Jones Act;

BE IT RESOLVED that the Alaska State Legislature opposes the application of the Jones Act to bulk commodities, such as coal and coal derived fuels, because of the Act's detrimental effect on Alaska commerce; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests the Congress to pass legislation exempting Alaska bulk commodities, such as coal and coal derived fuels, from provisions of the Jones Act.

COPIES of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Federico Pena, Secretary of the U.S. Department of Transportation; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable Bob Dole, Majority Leader of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.