

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.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** 46 U.S.C. Appx. 861 - 889 (Merchant Marine Act of 1920), commonly
5 known as the Jones Act, requires that seaborne shipping between United States ports be done
6 on vessels that have been constructed in the United States and that are crewed by United
7 States crews; and

8 **WHEREAS** this requirement has resulted in much higher costs for shipping bulk
9 commodities on United States vessels between domestic ports than for shipping those
10 commodities on foreign carriers between United States and foreign ports; and

11 **WHEREAS** there are currently no bulk carriers constructed in the United States that
12 are capable of servicing the large-scale movement of Alaska coal and coal derived fuels; and

13 **WHEREAS**, because the transportation cost for a high-tonnage, low-value bulk
14 commodity is often a significant part of the total delivered cost of that commodity, a higher
15 shipping cost can frequently keep a bulk commodity from being competitive; and

16 **WHEREAS** Alaska coal and coal derived fuels are a potential fuel source for utilities

1 and industries on the west coast of the United States and in Hawaii; and

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

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

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

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

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

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