

STATE OF ALASKA  
THE LEGISLATURE

1995

Source  
SCS HJR 42(RLS)

Legislative  
Resolve No.  
34



Relating to regulation of water carriers serving Alaska.

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

**WHEREAS** the federal government is considering legislation that would repeal the existing authority of the Interstate Commerce Commission to regulate water carriers transporting property between the 48 contiguous states and Alaska; and

**WHEREAS** Alaska is uniquely dependent on water transportation in that virtually everything that Alaskans eat, drink, wear, or use comes into the state by ship or barge; and

**WHEREAS** the deep water transport market serving the Alaska Railbelt is a classic duopoly situation in that two water carriers provide the vital service of transporting at least 75 percent of all goods shipped for 80 percent of the state's residents; and

**WHEREAS**, in a duopoly situation, the service providers have an obligation to their customers to operate with the highest degree of fairness and disclosure; and

**WHEREAS** the freight system by which Alaskans receive vital cargo should treat all customers fairly by guaranteeing equal access to competitive rates; and

**WHEREAS** the citizens of Alaska, recognizing that their interests may best be served by allowing market forces to determine the cost of bringing vital goods to the state so far as possible, continue to have concerns about the cost of shipping goods to Alaska; and

**WHEREAS** the citizens of Alaska have also expressed their desire to preserve the essential elements of the current system of regulating water carriers serving Alaska; and

**WHEREAS**, if the Interstate Commerce Commission is abolished and if there is no other forum for shipper complaints, the citizens of the state may have no place to present and resolve complaints about water carriers serving Alaska other than in court; and

**WHEREAS** the federal government has historically had a role in water transportation to Alaska through the Interstate Commerce Commission; and

**WHEREAS** the federal government is considering whether to transfer some functions of the Interstate Commerce Commission to the United States Department of Transportation; and

**WHEREAS** the Interstate Commerce Commission has recommended that the regulation of all domestic offshore water carriage be handled by the Federal Maritime Commission, which may also be abolished; and

**WHEREAS** regulatory functions of the Interstate Commerce Commission relating to domestic offshore water carriage could be performed by other existing federal entities if the Interstate Commerce Commission is abolished in order to save federal taxpayer money; and

**WHEREAS** three primary interests of Alaskans if such abolishment occurs are to ensure that rates for carriage to Alaska are fair and competitive, to ensure that carriage service to Alaska is dependable, and to ensure that an accessible forum exists in which Alaskans can present and resolve complaints;

**BE IT RESOLVED** that the Alaska State Legislature respectfully requests that the Governor and members of the Alaska delegation in the United States Congress support the preservation of the essential regulatory functions of the Interstate Commerce Commission pertaining to domestic offshore water carriage that serve the best interests of Alaska's consumers while providing an acceptable rate of return to the carriers which serve the Alaska market by transferring such regulatory functions to the United States Department of Transportation, if and when necessary.

**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 Strom Thurmond, President Pro Tempore of the U.S. Senate; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; 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.