

Original sponsor: Haugen, Banfield,
Freeman, et al

Offered: 3/19/74
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE -- SECOND SESSION

5 Requesting the United States Congress
6 to permit an annual waiver from the
7 provisions of the Jones Act for the
8 M/V WICKERSHAM.

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

10 WHEREAS, since 1957 when it established the state ferry system, the
11 State of Alaska, at its own expense, has expanded the fleet of the Alaska
12 Marine Highway from one to eight vessels to take the place of a highway in
13 those parts of this state where actual road building is impossible; and

14 WHEREAS the Alaska Marine Highway is an integral part of the state's
15 intrastate highway system as well as an essential tie to interstate routes
16 either through Canada via the Port of Prince Rupert or to the State of
17 Washington at the Port of Seattle; and

18 WHEREAS, in 1968, to meet an immediate need for greater vehicle and
19 passenger carrying capacity than the existing three ferryliners could pro-
20 vide, the State of Alaska purchased the ferry M/V WICKERSHAM, a foreign-built
21 vessel; but under the provisions of the Merchant Marine Act of 1920, commonly
22 known as the Jones Act, foreign registry vessels may not transport passengers
23 vehicles or cargo between two American ports, thus limiting the usefulness
24 of the WICKERSHAM and substantially increasing her cost of operation; and

25 WHEREAS the State of Alaska sought, and finally obtained by Act of
26 Congress in 1972, a temporary exemption from the provisions of the Jones Act
27 enabling the WICKERSHAM to make a greater contribution in meeting ever-
28 increasing demands for service, particularly during peak travel periods to
29 and from Alaska, and in producing greater revenue in relation to her cost of

1 operation; and

2 WHEREAS, in compliance with the understanding behind the 1972 federal
3 legislation that granted up to a three-year waiver of the Jones Act until an
4 American-built vessel was in service to replace the WICKERSHAM and chapter 34
5 SLA 1971 which authorized the sale of the WICKERSHAM, the State of Alaska has
6 demonstrated its good faith by building the M/V COLUMBIA at a cost of
7 \$19.9 million, the largest construction contract ever let by the state, and
8 at the same time by conducting negotiations, worldwide, for the sale of the
9 WICKERSHAM through internationally known ship brokerages; but, despite the
10 state's best efforts, no sale of this vessel has been consummated; and

11 WHEREAS, during this period of attempting to sell the WICKERSHAM, very
12 substantial lay-up costs have been incurred while the vessel produces no
13 revenue: dockage fees, maintenance charges to prevent deterioration, and
14 crew salaries to ensure her safety and security; and

15 WHEREAS, absent a viable purchaser, the M/V WICKERSHAM, under a Jones
16 Act waiver, can still provide a valuable, useful service by the transporta-
17 tion of Alaska residents and visitors to this state, especially during the
18 peak months of tourist demand on the state ferry system as well as during the
19 immediate future as the state experiences the impact of the trans-Alaska
20 pipeline -- a period that will require the State of Alaska to make available
21 every element of its transportation system to ensure the movement of person-
22 nel, equipment and supplies so essential to its construction -- without any
23 prejudice whatsoever to the American shipbuilding industry or the American
24 Merchant Marine fleet; and

25 WHEREAS under a terminated waiver the state is placed in a forced or
26 distress sale situation; and

27 WHEREAS an annually renewable waiver similar to that enjoyed by
28 Canadian vessels would remove the forced or distress sale requirement;

29 BE IT RESOLVED by the Alaska State Legislature that the Congress of the
SCS CSHJR 65

1 United States is respectfully requested to enact an amendment to the Jones
2 Act to permit an annual waiver exempting the M/V WICKERSHAM from its provi-
3 sions to enable that vessel to be owned and operated by the State of Alaska
4 for the transportation of vehicles and passengers between two American ports
5 as an integral part of the Alaska Marine Highway.

6 COPIES of this resolution shall be sent to the Honorable Richard M.
7 Nixon, President of the United States; the Honorable Warren G. Magnuson,
8 Chairman, Senate Commerce Committee; the Honorable Leonor K. Sullivan, Chair-
9 man, House Merchant Marine and Fisheries Committee; and to the Honorable Ted
10 Stevens and the Honorable Mike Gravel, U. S. Senators, and the Honorable Don
11 Young, U. S. Representative, members of the Alaska delegation in Congress.

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