

Introduced: 2/9/79
Referred: Commerce

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 SENATE JOINT RESOLUTION NO. 18

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Urging passage of a bill in Congress
6 to amend the Shipping Act, 1916, to
7 provide that a state, the District of
8 Columbia, the Commonwealth of Puerto
9 Rico, or a territory or possession of
10 the United States be considered a
11 citizen of the United States for the
12 purposes of the Act.

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

14 WHEREAS the State of Alaska has a commercial fishing loan program to
15 promote the development of a predominantly resident fishery and continued
16 maintenance of commercial fishing gear and vessels throughout the state by
17 means of long-term low interest loans; and

18 WHEREAS a first lien in favor of the state is required to obtain fi-
19 nancing, and when a documented vessel is offered as security for a loan the
20 state must perfect a First Preferred Ship Mortgage as outlined in the Federal
21 Shipping Act of 1916 (46 U.S.C. 801); and

22 WHEREAS, in order to perfect a First Preferred Ship Mortgage, the holder
23 of the mortgage must be a citizen of the United States as defined in the
24 Shipping Act of 1916; and

25 WHEREAS the State of Alaska is not a citizen of the United States as
26 that term is used in the Ship Mortgage Act (46 U.S.C. 922(a)(5)); and

27 WHEREAS, in order to implement this loan program, the state was forced
28 to use an extremely cumbersome and costly trust deed-bond issue procedure
29 with trustee costs this year of over \$100,000 which will grow to exceed

1 \$200,000 a year beginning in 1980; and

2 WHEREAS the individual fishermen who receive loans are forced to pay
3 this added expense to the trustee in the form of a service fee of one-half of
4 one per cent on the outstanding balance of their loans; and

5 WHEREAS over 750 Alaska commercial fishermen have received loans through
6 this program and the number of applications is increasing steadily; and

7 WHEREAS the trustee service fee is an unnecessary added expense to the
8 fisherman;

9 BE IT RESOLVED that the Alaska State Legislature urges passage of a bill
10 which will amend the Shipping Act of 1916 (46 U.S.C. 801) in order to provide
11 that a state, the District of Columbia, the Commonwealth of Puerto Rico, and
12 a territory or possession of the United States shall be considered to be a
13 citizen of the United States for the purposes of the Act.

14 COPIES of this resolution shall be sent to the Honorable Ted Stevens and
15 the Honorable Mike Gravel, U. S. Senators, and the Honorable Don Young, U. S.
16 Representative, members of the Alaska delegation in Congress.

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