

Introduced: 1/26/83
Referred: State Affairs
and Judiciary

BY THE RULES COMMITTEE
BY REQUEST OF THE ALASKA
STATEHOOD COMMISSION

1 IN THE SENATE

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SENATE JOINT RESOLUTION NO. 13

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

Urging the repeal of the Merchant Marine

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Act of 1920.

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

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WHEREAS the Merchant Marine Act of 1920, commonly known as the Jones

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Act, requires that vessels carrying goods between United States ports be

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built and registered in the United States and owned and crewed by United

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States nationals; and

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WHEREAS the Act gives vessels protection from free market competition

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by foreign ships that have much lower construction and crew costs; and

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WHEREAS as is typical of protected markets, higher freight rates

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follow in the United States coastwise trade; and

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WHEREAS the Act was originally passed to build a sheltered environment

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for United States vessels to create domestic prosperity and wartime secur-

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ity, yet the United States merchant fleet has dropped by half since World

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War II while the world tonnage has gone up sixfold; and

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WHEREAS Alaska, Hawaii, and the noncontiguous territories of the

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United States pay higher freight rates imposed by the Act; and

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WHEREAS the Alaska trade now supports nearly one-third of the entire

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Jones Act fleet; and

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WHEREAS the effect of the Act is to reduce Alaska's state oil revenue,

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to raise the cost of all domestic freight coming to Alaska, and to discour-

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age the development of new oil fields and mineral deposits in Alaska; and

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WHEREAS the direct cost to Alaska's treasury due to the Act is \$63 -

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\$176 million dollars yearly and the direct cost to the federal treasury is

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\$135 - \$378 million dollars yearly;

1 **BE IT RESOLVED** by the Alaska State Legislature that the United States
2 Congress is urged in the national interest to repeal the Merchant Marine
3 Act of 1920; and be it

4 **FURTHER RESOLVED** that until the Act is repealed, the United States
5 Congress is urged to allow foreign-built ships into the Jones Act trade if
6 they meet American safety standards, are registered in the United States,
7 and are owned and crewed by United States nationals.

8 **COPIES** of this resolution shall be sent to the Honorable Ronald
9 Reagan, President of the United States; the Honorable Elizabeth Dole,
10 Secretary of Transportation; the Honorable Ted Stevens and the Honorable
11 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Repre-
12 sentative, members of the Alaska delegation in Congress.