

Introduced: 2/6/85
Referred: Transportation

1 IN THE SENATE

BY COGHILL

2

SENATE JOINT RESOLUTION NO. 11

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Urging the repeal of the Merchant Marine

6

Act of 1920.

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

8 WHEREAS the Merchant Marine Act of 1920, commonly known as the Jones
9 Act, requires that vessels carrying goods between United States ports be
10 built and registered in the United States and owned and crewed by United
11 States nationals; and

12 WHEREAS the Act gives vessels protection from free market competition
13 by foreign ships that have much lower construction and crew costs; and

14 WHEREAS, as is typical of protected markets, higher freight rates
15 follow in the United States coastwise trade; and

16 WHEREAS the Act was originally passed to build a sheltered environment
17 for United States vessels to create domestic prosperity and wartime secur-
18 ity, yet the United States merchant fleet has dropped by half since World
19 War II while the world tonnage has gone up sixfold; and

20 WHEREAS Alaska, Hawaii, and the noncontiguous territories of the
21 United States pay higher freight rates imposed by the Act; and

22 WHEREAS the Alaska trade now supports nearly one-third of the entire
23 Jones Act fleet; and

24 WHEREAS the effect of the Act is to reduce Alaska's state oil revenue,
25 to raise the cost of all domestic freight coming to Alaska, and to discour-
26 age the development of new oil fields and mineral deposits in Alaska; and

27 WHEREAS the direct cost to Alaska's treasury due to the Act is \$63 -
28 \$176 million dollars yearly and the direct cost to the federal treasury is
29 \$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4 FURTHER RESOLVED that until the Act is repealed, the United States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.