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1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the reflagging of foreign  
6 fish processing vessels.

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

8 WHEREAS the United States is making progress toward the goal of full  
9 use of the groundfish resources off the coast of Alaska; and

10 WHEREAS the groundfish processing capacity of United States processing  
11 plants has been unable to keep pace with the groundfish harvesting capacity  
12 of United States fishermen, which is supported largely by foreign proces-  
13 sors; and

14 WHEREAS federal law allows foreign processors to "reflag", i.e.,  
15 document foreign-built vessels as United States vessels; and

16 WHEREAS a loophole in the vessel ownership requirements of federal  
17 documentation laws allows foreign processors to retain effective control of  
18 a reflagged processing vessel by setting up a dummy U.S. corporation; and

19 WHEREAS several operations involving reflagging are being considered;  
20 and

21 WHEREAS continuing to allow the reflagging of foreign processing  
22 vessels would harm United States processors by hindering their efforts to  
23 reach the goal of full use of the groundfish resources; and

24 WHEREAS reflagged foreign processing vessels could destroy Alaskan  
25 shore-based processing, which is the economic basis of many Alaskan coastal  
26 communities, by invading the salmon, crab, halibut, shrimp, and other  
27 fisheries traditionally relied upon by Alaska processors; and

28 WHEREAS the reflagging of foreign processing vessels could prevent

1 United States processing plants from gaining entry into the foreign market;  
2 and

3 WHEREAS the reflagging of foreign processing vessels would impede the  
4 formation of capital in the United States for investment in processing  
5 vessels built in the United States; and

6 WHEREAS the reflagging of foreign processing vessels would be a deter-  
7 rent to the employment of the United States labor force; and

8 WHEREAS the North Pacific Fishery Management Council has unanimously  
9 endorsed the call for a solution to the significant problem of reflagging  
10 foreign processing vessels;

11 BE IT RESOLVED by the Alaska State Legislature that the Congress of  
12 the United States is urgently requested to pass legislation that would  
13 prevent the foreign take-over of United States fisheries through use of the  
14 reflagging mechanism.

15 COPIES of this resolution shall be sent to the Honorable George Bush,  
16 Vice-President of the United States and President of the United States  
17 Senate; the Honorable John Stennis, President pro tempore of the United  
18 States Senate; the Honorable Jim Wright, Speaker of the House of Represen-  
19 tatives; the Honorable Ernest Hollings, Chairman, Senate Commerce, Science,  
20 and Transportation Committee; the Honorable Ted Stevens and the Honorable  
21 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Repre-  
22 sentative, members of the Alaska delegation in Congress; and to Mr. James  
23 Campbell, Chairman of the North Pacific Fishery Management Council.