

1 IN THE SENATE

BY KERTTULA

2

SENATE JOINT RESOLUTION NO. 37

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

Urging the repeal of the Merchant Marine

6

Act, 1920.

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

8 WHEREAS the Merchant Marine Act, 1920 (46 U.S.C. 861 - 889), commonly
9 known as the Jones Act, requires that vessels carrying goods between United
10 States ports be built and registered in the United States and owned and
11 crewed by United States nationals; and

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

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

17 WHEREAS although the Act was originally passed to build a sheltered
18 environment for United States vessels to create domestic prosperity and
19 wartime security, the United States merchant fleet has dropped by half
20 since World War II while the world tonnage has increased sixfold; and

21 WHEREAS Alaska, Hawaii, and the noncontiguous territories of the
22 United States bear the cost of that sheltered environment even though it
23 was created to benefit all Americans; and

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

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

1 WHEREAS the direct cost to the state's treasury due to the Act has
2 been estimated to be between \$63,000,000 and \$176,000,000 yearly, and the
3 direct cost to the federal treasury has been estimated to be between
4 \$135,000,000 and \$378,000,000 yearly;

5 BE IT RESOLVED by the Alaska State Legislature that the United States
6 Congress is urged in the national interest to repeal the Merchant Marine
7 Act, 1920 (46 U.S.C. 861 - 889).

8 COPIES of this resolution shall be sent to the Honorable George Bush,
9 President of the United States; the Honorable Samuel K. Skinner, Secretary
10 of Transportation; the Honorable Ted Stevens and the Honorable Frank
11 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
12 members of the Alaska delegation in Congress.