

STATE OF ALASKA

THE LEGISLATURE

1979

Source

SJR 18

Legislative
Resolve No.

11



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

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

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

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

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

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

WHEREAS, in order to implement this loan program, the state was forced to use an extremely cumbersome and costly trust deed-bond issue procedure with trustee costs this year of over \$100,000 which will grow to exceed \$200,000 a year beginning in 1980; and

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

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

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

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

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