

HOUSE RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Introduced: 3/22/23

Referred: State Affairs, Transportation

A RESOLUTION

1 **Supporting the repeal of the Jones Act.**

2 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:**

3 **WHEREAS** 46 U.S.C. 55102 (sec. 27 of the Merchant Marine Act of 1920),
4 commonly known as the Jones Act, is a federal cabotage law that restricts the surface carriage
5 of cargo by water between coastwise points in the United States to vessels that are built,
6 flagged, owned, and crewed by the United States; and

7 **WHEREAS** the requirements of the Jones Act dramatically increase the cost to
8 purchase, staff, and maintain shipping vessels; and

9 **WHEREAS** the high cost of constructing shipping vessels in the United States
10 diminishes the size of the United States shipping fleet, increases its age, increases fuel costs
11 caused by age, increases maintenance costs caused by age, and increases crewing costs caused
12 by age and a lack of automation; and

13 **WHEREAS** other modes of domestic transportation in the United States are permitted
14 to use equipment made by foreign manufacturers for commercial operation without
15 restriction, including aircraft, railroad cars and locomotives, trucks, automobiles, and mass
16 transit vehicles; and

1 **WHEREAS** both the United States commercial shipbuilding industry and domestic
2 shipping fleet have experienced significant declines under Jones Act protectionism; and

3 **WHEREAS** a 2013 report issued by the World Economic Forum in collaboration with
4 Bain and Company and the World Bank described the Jones Act as the "most restrictive
5 example" of a cabotage law and that "such barriers actually damage local economies and
6 saddle businesses and consumers with significant costs"; and

7 **WHEREAS**, because of the high cost of domestic transport, the Jones Act has been
8 cited as a key factor behind United States refineries choosing to purchase Russian oil instead
9 of domestic supplies; and

10 **WHEREAS**, because of the total lack of gas tankers compliant with the Jones Act that
11 are needed to transport liquefied natural gas domestically, New England and Puerto Rico must
12 import liquefied natural gas; and

13 **WHEREAS** numerous useful types of vessels, including gas tankers, livestock
14 carriers, and heavy-lift vessels, do not exist in the fleet qualified under the Jones Act; and

15 **WHEREAS** the high cost of Jones Act transport and the lack of appropriate vessel
16 types serve as a barrier to commerce within the United States and discourage domestic supply
17 chains; and

18 **WHEREAS**, in retaliation for the refusal of the United States to modify the Jones Act
19 and open its domestic shipping and shipbuilding markets, United States trading partners
20 restrict their markets to United States exports; and

21 **WHEREAS** the high costs associated with the Jones Act have many domestic
22 businesses using the nation's highways and rail systems to transport goods to various markets,
23 leading to increased wear and tear on the nation's roadways and railways, increased
24 maintenance costs on roadways and railways, increased fuel consumption, and increased
25 vehicle congestion on the nation's roadways; and

26 **WHEREAS** a repeal of the Jones Act would allow domestic businesses to realize cost
27 savings by using the nation's waterways as a safer and easier method of transporting goods to
28 market, would reduce the number of vehicles on the nation's highways, and would permit
29 goods to arrive to markets in a more timely fashion; and

30 **WHEREAS** the Jones Act was adopted before Alaska statehood with no true
31 representation for Alaska in Congress and was sponsored by former United States Senator

1 Wesley Jones of Washington for the benefit of Washington state and to the detriment of
2 Alaska; and

3 **WHEREAS** a primary purpose of the Jones Act was to give Washington state a
4 monopoly on shipping lines to Alaska;

5 **BE IT RESOLVED** that the House of Representatives urges the United States
6 Congress to consider repealing the Jones Act.

7 **COPIES** of this resolution shall be sent to the Honorable Joseph R. Biden, President
8 of the United States; the Honorable Kevin McCarthy, Speaker of the U.S. House of
9 Representatives; the Honorable Steve Scalise, Majority Leader of the U.S. House of
10 Representatives; the Honorable Pete Buttigieg, United States Secretary of Transportation; and
11 the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S. Senators, and the
12 Honorable Mary Peltola, U.S. Representative, members of the Alaska delegation in Congress.