

## Briefing Handout: Rethinking the Jones Act – Anchorage, Extraction, and Economic Sovereignty

### Anchorage Assembly – Community & Economic Development Committee

Prepared by: Member Martinez

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#### What is the Jones Act?

- A federal law (Merchant Marine Act of 1920) that requires all goods transported between U.S. ports to move on U.S.-built, -flagged, -owned, and -crewed ships.
  - Initially passed for national defense and domestic industry support.
  - Today, it limits competition and imposes high transportation costs, particularly on noncontiguous regions like Alaska.
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#### Anchorage: Inbound by Design – The Extraction Economy Legacy

- The Port Director recently noted that Anchorage is “predominantly an inbound port” and that Jones Act repeal would not meaningfully affect business volume.
- This observation highlights a deeper structural problem: Alaska remains locked in a colonial extractive economy.

#### What does this mean?

- Alaska exports raw materials (oil, fish, minerals) but imports nearly all finished goods and food.
  - The economy is structured to serve extraction industries rather than promote local value-added production.
  - Anchorage’s inbound-only freight system is a symptom of underdeveloped economic self-determination.
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#### Jones Act: Reinforcing Economic Dependence

- By raising the cost of inbound shipping, the Jones Act entrenches Alaska’s dependence on Lower 48 suppliers.
- It makes it more expensive to:

- Build housing
  - Stock grocery shelves
  - Deliver public infrastructure
  - Support emerging industries
  - Meanwhile, the high cost of coastal shipping limits opportunities to develop local maritime exports or inter-regional trade.
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#### Impact on Alaskans

- Equivalent to a 14.55% sales tax on Anchorage residents.
  - Increases cost of living by over \$3,000 per person annually.
  - Burdens:
    - Consumers: Higher grocery, fuel, and retail prices
    - Businesses: Higher input costs, limited supplier options
    - Government: Inflated infrastructure project budgets
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#### Reframing the Narrative

- The Jones Act is not just a shipping policy—it's a barrier to local prosperity and resilience.
- The Port's inbound-only status is not a justification for inaction—it's a call to rethink how Alaska engages in the national and global economy.

#### Without reform:

- We remain dependent.
  - We remain vulnerable to monopolized supply chains.
  - We remain an extraction colony.
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#### Policy Recommendations

- Advocate for an Alaska exemption from the Jones Act to lower inbound freight costs.
  - Invest in value-added industries and coastal trade that support outbound shipping.
  - Support legislation to repeal the U.S.-build requirement and modernize U.S. shipping.
  - Allow foreign-flagged LNG ships to reduce energy prices.
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#### Conclusion: Toward Economic Sovereignty

Anchorage should not accept its inbound-only role as permanent or inevitable. The Jones Act is a policy barrier that reinforces an outdated economic model. Reform is essential to:

- Lower costs
  - Expand economic opportunity
  - Move Alaska from extraction to self-determined growth
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