

Lawmakers Introduce SHIPS Act to Revitalize Shipbuilding, Commercial Maritime Industries



U.S. Merchant Marine Academy graduates throw their covers in celebration during the Merchant Marine Academy Commencement Ceremony in Kings Point, New York, June 22, 2024. *Credit: U.S. Marine Corps | Staff Sgt. Kelsey Dornfeld*

A bipartisan group of U.S. Senators and Representatives on Dec. 19 introduced the Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act, comprehensive legislation to revitalize the United States shipbuilding and commercial maritime industries.

The SHIPS for America Act was introduced by Sens. Mark Kelly (D-Arizona) and Todd Young (R-Indiana) and Reps. John Garamendi (D-California) and Trent Kelly (R-Mississippi). After decades of neglect, the United States has a weakened shipbuilding capacity, a declining commercial shipping fleet dwarfed by China and a diminished ability to supply the U.S. military during wartime, the lawmakers said.

They said the bipartisan proposal would restore American leadership across the oceans by establishing national oversight and consistent funding for U.S. maritime policy, incentivizing domestic shipbuilding, enabling U.S.-flagged vessels to better compete in international commerce, rebuilding the U.S. shipyard industrial base and expanding the mariner and shipyard workforce.

“We’ve always been a maritime nation, but the truth is we’ve lost ground to China, who now dominates international shipping and can build merchant and military ships much more quickly

than we can,” said Kelly, a U.S. Navy veteran and the first U.S. Merchant Marine Academy graduate to serve in Congress.

“The SHIPS for America Act is the answer to this challenge. By supporting shipbuilding, shipping, and workforce development, it will strengthen supply chains, reduce our reliance on foreign vessels, put Americans to work in good-paying jobs, and support the Navy and Coast Guard’s shipbuilding needs. I’m excited to introduce this comprehensive, fully paid for legislation today alongside my Republican and Democratic colleagues and our partners representing all parts of the industry, and together we’re going to work to get this effort across the finish line.”

“America has been a maritime nation since our founding, and seapower was a significant contributor to our rise to being the most powerful nation on earth. Unfortunately, the bottom line now is America needs more ships. Shipbuilding is a national security priority and a stopgap against foreign threats and coercion. Our bill will revitalize the U.S. maritime industry, grow our shipbuilding capacity, rebuild America’s shipyard industrial base, and support nationwide workforce development in this industry. This legislation is critical to our warfighting capabilities and keeping pace with China,” Young said.

The move drew support from a wide variety of maritime-related groups and is backed by the Navy League of the United States.

“The Navy League applauds the introduction of the SHIPS for America Act, a landmark legislative achievement that will comprehensively meet the needs of the U.S. merchant marine and bolster our shipbuilding industrial base,” said Mike Stevens, CEO of the Navy League.

“In today’s global threat environment, arguably the most perilous since the end of the Cold War, the United States must not only maintain the finest Navy, Marine Corps, and Coast

Guard on the seas, but also ensure a robust U.S.-flag merchant marine and a resilient shipbuilding industrial base. These elements are crucial for safeguarding our national and economic security in the event of large-scale military conflict. The SHIPS for America Act addresses these vital considerations and reaffirms that America is, and always will be, a maritime nation.”

The SHIPS for America Act would:

Coordinate U.S. maritime policy by establishing the position of Maritime Security Advisor within the White House, who would lead an interagency Maritime Security Board tasked with making whole-of-government strategic decisions for how to implement a National Maritime Strategy. The bill also establishes a Maritime Security Trust Fund that would reinvest duties and fees paid by the maritime industry into maritime security programs and infrastructure supporting maritime commerce.

Establish a national goal of expanding the U.S.-flag international fleet by 250 ships in 10 years by creating the Strategic Commercial Fleet Program, which would facilitate the development of a fleet of commercially operated, U.S.-flagged, American crewed, and domestically built merchant vessels that can operate competitively in international commerce.

Enhance the competitiveness of U.S.-flagged vessels in international commerce by establishing a Rulemaking Committee on Commercial Maritime Regulations and Standards to cut through the U.S. Coast Guard’s bureaucracy and red tape that limits the international competitiveness of U.S.-flagged vessels, requiring that government-funded cargo move aboard U.S.-flag vessels, and requiring a portion of commercial goods imported from China to move aboard U.S.-flag vessels starting in 2029.

Expand the U.S. shipyard industrial base, for both military and commercial oceangoing vessels, by establishing a 25

percent investment tax credit for shipyard investments, transforming the Title XI Federal Ship Financing Program into a revolving fund, and establishing a Shipbuilding Financial Incentives program to support innovative approaches to domestic ship building and ship repair.

Accelerate U.S. leadership in next-generation ship design, manufacturing processes, and ship energy systems by establishing the U.S. Center for Maritime Innovation, which would create regional hubs across the country.

Make historic investments in maritime workforce by establishing a Maritime and Shipbuilding Recruiting Campaign, allowing mariners to retain their credentials through a newly established Merchant Marine Career Retention Program, investing in long-overdue infrastructure needs for the U.S. Merchant Marine Academy, and supporting State Maritime Academies and Centers for Excellence for Domestic Maritime Workforce Training and Education. The bill also would streamline and modernize the U.S. Coast Guard's Merchant Mariner Credentialing system.