

Heritage Experts: Increased Shipbuilding Critical for National Security



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WASHINGTON – The Heritage Foundation today released the following statement from leading defense and economic experts

praising congressional efforts to increase domestic shipbuilding capacity while calling for additional reforms to restore maritime strength.

Heritage Senior Research Fellow for Naval Warfare and Advanced Technology [Brent Sadler](#), Acting Director of the Hermann Center for the Federal Budget [Richard Stern](#), and Policy Analyst for Economic Policy [Miles Pollard](#) responded the [reintroduction](#) of the *Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act*:

“The revised *SHIPS for America Act* is a strong down payment towards revitalizing America’s maritime capacity and holding entities of concern, like China, accountable for their non-market actions. We encourage Congress to go further in refining the legislation which would help revitalize our port cities, grow our industrial workforce, and strengthen the strategically important shipping and shipbuilding sectors of our economy.

“Done well, the legislation would strengthen our maritime industry over time and thereby make it less reliant on *Jones Act* protections and subsidies. This requires nurturing an innovation-based American comparative advantage rather than an artificial advantage using tax credits, energy export limitations, and insurance gimmicks.

“Given that many maritime sectors abroad operate in a non-profit tax environment, we would encourage replacing all federal taxation of this industry with a distributed profits tax that encourages capital investment by removing duplicative

layers of taxation from investments to grow our domestic shipping and shipbuilding. Additionally, to build out and maintain the domestic capacity, we propose creating a grant formula to expand shipyards and pay for retained capacity.

“In total, The Heritage Foundation finds this legislation commendable and looks forward to it rejuvenating our maritime industry.”

Heritage [previously praised](#) the *SHIPS for America Act* as ‘step in the right direction.’ In March, Heritage [released](#) an extensive report analyzing the benefits of necessary shipbuilding reforms to combat and deter American adversaries, especially China.

Secretary of Defense Pete Hegseth has identified the revitalization of the U.S. Navy as critical to the United States’ national security strategy.