Sea-Air-Space: SHIPS Act Aims to Counteract China's Maritime Dominance



A Taiwanese Yang Ming cargo ship at the Port of Los Angeles. *Photo credit: Port of Los Angeles*

Most observers agree it's a national security imperative for the United States to counteract growing Chinese maritime domination. The imbalance is stark: Just 80 U.S.-flagged vessels conduct international commerce today, compared with China's 5,500 vessels. But how should America slow this worrisome trend?

One answer may be the Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act, a bipartisan bill to revitalize the U.S. Merchant Marine.

The measure seeks to grow the U.S. international fleet by 250

ships in 10 years through executive-level oversight; consistent funding for shipbuilding; and shipyard worker recruitment, training, and retention.

“I think one of the most crucial and important aspects of the SHIPS Act itself is not even so much what’s in it but that it’s a comprehensive approach,” said Mark Vlaun, deputy general counsel for American Roll-On Roll-Off Carrier Group, at a Sea-Air-Space 2025 panel on April 9. “It’s almost strategic in its own right.”

Among other provisions, the measure would establish for the first time a Maritime Security Trust Fund, similar to the Highway Trust Fund. The fund would provide a steady stream of support for ship construction, including financial incentives; assistance to small shipyards; loan guarantees; and maritime college and career training.

“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 Sen. Mark Kelly, Democrat of Arizona, in a statement introducing the SHIPS Act measure on Dec. 19, 2024.

Kelly, a U.S. Navy veteran and the first U.S. Merchant Marine Academy graduate to serve in Congress, is joined on the bill by Senate co-sponsor Sen. Todd Young (R-Indiana), and House co-sponsors Reps. Trent Kelly, (R-Mississippi), and John Garamendi, (D-California).

The thrust of the legislation reinforces key themes that surfaced repeatedly at Sea-Air-Space 2025: A revived U.S. Merchant Marine attracts more public and private investments in commercial shipyards and suppliers. This in turn accelerates Navy efforts to improve its public shipyards, shore infrastructure, and best practices in shipbuilding. Combined, these efforts lead to greater maritime military and economic security overall.

Navy and Coast Guard shipbuilding acquisition can already benefit from lessons learned in programs run by the Maritime Administration (MARAD), a U.S. Department of Transportation office that supports maritime transportation infrastructure, including shipyard grants and loan guarantees.

Panelist Dave Heller, MARAD's associate administrator for Business and Finance Development, said he's seen how commercial practices at some of the smaller shipyards can speed the construction of military icebreakers and other similarly sized vessels.

"There are lots of ways to get what you need, to get it in the water quickly, and that's usually through a commercial model," Heller said.

Heller's office supports a variety of opportunities in ship infrastructure support, including an $8.75 million Small Shipyard Grant Program that's inviting applications until May 15, 2025. Shipyards generally with fewer than 1,200 employees can apply for grants averaging $820,000 for capital improvements and maritime training programs.

Supporters of the SHIPS Act argue the measure could better coordinate these programs and national policies to encourage systemic, long-term changes in U.S. maritime policy. "Continuing to maintain a maritime presence is absolutely imperative for us," said panelist Robert Hurd, legislative director for Rep. Garamendi. "[Capitol] Hill in general is really excited for this opportunity