From:	University Affairs
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Subject:	SHIPS for America Act Introduced in Congress Today To Boost American Shipbuilding, Strengthen US Economy and National Security
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Sent on behalf of Interim President Dumont.

Dear Cal Maritime Colleagues and Alumni,

The SHIPS for America Act has been formally introduced in Congress. SEN. Kelly's press release is copied below and provides a good overview.

There are several references to State Maritime Academies in this press release plus a quote (below). There are several events taking place in Washington, D.C. today celebrating the introduction of the bill. Broadly speaking, the overall goal of the bill is to dramatically increase the size of the U.S. – flag fleet. The maritime work force and our shipyards are a key part of it.

There are state maritime academy-specific provisions contained in the bill which we are analyzing. Over the past year, as this bill was being drafted, myself and the other state maritime academy presidents / superintendents were consulted on many occasions by Members of Congress and Congressional staff. We worked closely with them on drafting several provisions in the bill. MARAD was also consulted, and they obviously look at things through a different lens than do we. While we did not get everything we wanted, we did have significant influence in shaping several important provisions in the bill.

There are provisions for supporting the MARAD–designated Centers for Excellence for Domestic Maritime Workforce Training and Education. I believe that is an area that we – Cal Poly and the Cal Poly Maritime Academy – may want to consider exploring as I believe there are opportunities to increase our Professional and Continuing Education (PaCE) program offerings in support of industry, labor, and the individual mariner.

More to follow as we monitor how the specific provisions are analyzed and negotiated in Congress as the bill works its way through the legislative process in the coming months.

Thank you,

Mike

Michael J. Dumont, J.D.

Interim President



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Sen. Kelly, Sen. Young, Rep. Garamendi, Rep. Kelly Introduce SHIPS for America Act to Boost American Shipbuilding, Strengthen US Economy and National Security

The legislators <u>first introduced</u> this bill with overwhelming support from industry leaders in December of 2024

Today, Senator Mark Kelly (D-AZ), Senator Todd Young (R-IN), Representative John Garamendi (D-CA-8), and Representative Trent Kelly (R-MS-1) re-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. Other cosponsors in the Senate include Senator Lisa Murkowski (R-AK) and Senator John Fetterman (D-PA).

There are currently 80 U.S.-flagged vessels in international commerce while China has 5,500. The *SHIPS for America Act* aims to close this gap and boost the U.S. Merchant Marine by establishing national oversight and consistent funding for U.S. maritime policy, making U.S.-flagged vessels commercially competitive in international commerce by cutting red tape, rebuilding the U.S. shipyard industrial base, and expanding and strengthening mariner and shipyard worker recruitment, training, and retention.

"After decades of dangerously neglecting our shipbuilding industry, we're finally doing something about it. The SHIPS for America Act is the most ambitious effort in a generation to revitalize the U.S. shipbuilding and commercial maritime industries and counter China's dominance over the oceans," **said Senator Kelly, a U.S. Navy veteran and the first U.S Merchant Marine Academy graduate to serve in Congress.** "Building and staffing more U.S.-flagged ships will create good-paying American jobs, make our supply chains more resilient, lower costs, and strengthen our ability to resupply our military at times of war. We'll keep working with our colleagues in Congress, this administration, and our partners in the industry to make our country safer and competitive by passing the SHIPS for America

Act."

"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," said Senator Young, a U.S. Naval Academy graduate.

"Strengthening America's shipbuilding capacity and revitalizing our commercial maritime industry is critical to national security and economic resilience. Under President Trump's leadership, we're prioritizing these vital sectors. I'm proud to work alongside Senator Mark Kelly, Senator Todd Young, and Congressman John Garamendi to help safeguard our maritime future," **said Congressman Kelly.**

"With China's growing influence in the global maritime sector, the United States can no longer afford to overlook our maritime industries. The SHIPS for America Act will give our shipyards and merchant mariners the tools they need to rebuild America's maritime industry and create good-paying American jobs," **said Congressman Garamendi**. "I'm proud to lead this effort alongside Senator Kelly, Senator Young, and Representative Kelly to strengthen America's national security, economic strength, and global leadership on the high seas."

"Because of our vast geography, the maritime industry is uniquely vital to Alaska, with many of our coastal communities relying on a strong U.S.-flagged fleet for everything from everyday logistics, to commercial fishing and homeland defense. I am proud to cosponsor the SHIPS Act, which advances common-sense solutions that will invest in the workforce and revitalize our nation's shipbuilding, increasing Alaska's resilience and security," **said Senator Murkowski**.

"When it comes to maintaining our competitive edge against China, failure is not an option. The *SHIPS for America Act* will help the United States compete with China's production of ships while creating new manufacturing jobs in shipyards across the nation," **said Senator Fetterman.** "Not only will this strengthen our national security, but it'll also grow our local economies and support working families right here in Pennsylvania. I'm proud to support this commonsense, bipartisan legislation that will help us build more ships in America and stand up to China."

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, modify duties to make cargo on U.S.-flagged vessels more competitive, requiring that government-funded cargo move aboard U.S.-flagged vessels, and requiring a portion of commercial goods imported from China to move aboard U.S.-flagged vessels starting in 2030.
- 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, and supporting regional hubs for maritime innovation across the country by establishing a Maritime Prosperity Zone program.
- Make historic investments in maritime workforce by supporting a Maritime Workforce Promotion and Recruitment 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 makes long-overdue changes to streamline and modernize the U.S. Coast Guard's Merchant Mariner Credentialing system.

See a section by section of the bill <u>here</u>. See text of the bill <u>here</u>

The legislation will be introduced in two pieces in the Senate, the <u>SHIPS for America</u> <u>Act</u> and the <u>Building SHIPS in America Act</u>.

Background:

Since first <u>introducing</u> the *SHIPS for America Act* in December, the urgency to boost American shipbuilding has emerged as a priority of bipartisan consensus this year, particularly after the U.S. Trade Representative <u>revealed</u> its findings regarding China's shipbuilding dominance and President Trump <u>signed</u> a shipbuilding executive order.

Sen. Kelly earned his B.S. degree in marine engineering and nautical science from the United States Merchant Marine Academy (USMMA) and later an M.S. degree in aeronautical engineering from the United States Naval Postgraduate School. He spent 25 years in the United States Navy as a pilot and is the first ever USMMA alumnus to serve in Congress. In 2023, he was elected chair of the USMMA Board of Visitors for the 118th Congress.

The following organizations have endorsed the SHIPS for America Act:

Keystone Shipping Company, American Shipbuilding Suppliers Association, Navy League, General Dynamics-NASSCO, American Waterway Operators, American Maritime Partnership, San Jacinto College, Oceantic Network, California State University Maritime Academy, Maine Maritime Academy, Senesco Marine, Massachusetts Maritime Academy, Great Lakes Maritime Academy, USMMA Alumni Association and Foundation, American Maritime Officers, International Organization of Masters, Mates & Pilots, Maritime Institute for Research and Industrial Development (MIRAID), International Propeller Club, Crowley, American Maritime Officers Service, The Pasha Group, Saltchuk, Tropical, Saltchuk Marine, Overseas Shipholding Group, Core Power, Govini, US Ocean, Small Shipyard Grant Coalition, The American Club, Transportation Institute, Blue Water Autonomy, American Bureau of Shipping, With Honor Action, Texas A&M Maritime Academy, National Defense Transportation Association (NDTA), American Iron and Steel Institute, Shipbuilders Council of America, Maritime Association of the Port of NY/NJ, United Steelworkers, International Association of Machinists and Aerospace Workers, Matson, American Legion, Inc., Marine Engineers' Beneficial Association (M.E.B.A.), Ocean Shipholdings, Inc, Offshore Marine Service Association (OMSA), Hanwha Philly Shipyard, Ports America, Seafarers International Union (SIU), U.S. Marine Management, AUVSI, Maritime Accelerator for Resilience, Cleveland-Cliffs Inc., Chamber of Shipping of America, National Association of Waterfront Employers (NAWE), Association for Materials Protection and Performance (AMPP), California Forever, International Federation of Professional and Technical Engineers (IFPTE), Alliance for American Manufacturing, Nucor, Steel Manufacturers Association, Blue Sky Maritime Coalition, Tote Inc., SSAB Americas, Consortium of State Maritime Academies, Fairwater Holdings LLC., Marine Machinery Association, SHIPPINGInsight, USA Maritime, New American Industrial Alliance, and Ship Operations and Marine Technical Support (SOMTS).

See what maritime leaders and stakeholders are saying about the SHIPS for America Act:

"The USA Maritime coalition supports the SHIPS for America Act and has been honored to work with Senators Kelly and Young, and Congressmen Garamendi and Kelly as the bill has taken shape over the last two years. This bill represents the most comprehensive maritime policy initiative in more than half a century. Now, more than ever, the United States needs a strong, vibrant and growing Merchant Marine, capable of carrying a substantial portion of our foreign commerce and supporting our military in time of war. This initiative will ensure our country has the U.S.-Flag ships and American mariners needed to preserve, protect and defend America and our economic security. We look forward to continuing to work with Congress on this legislation," said Brian W. Schoeneman, Chair, USA Maritime.

"The Shipbuilders Council of America commends Senator Kelly, Congressman Kelly, Senator Young, and Congressman Garamendi for their leadership in advancing the SHIPS for America Act. This legislation represents a significant step forward in strengthening the nation's shipyard industrial base and establishing a comprehensive national maritime strategy. We are encouraged by its focus on bolstering American shipbuilding and ensuring a robust maritime sector capable of supporting our nation's economic and national security. SCA is committed to continuing its engagement with these Congressional members and staff to refine and enhance the legislation, especially to better support our domestic ship repair industry, and we look forward to collaborating with policymakers to ensure the success of initiatives that secure the future of America's shipyard industrial base and maritime workforce," **Matthew Paxton, President, Shipbuilders Council of America**.

"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. 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," **said Mike Stevens, CEO, Navy League.**

"In any conflict with China, the outcome will hinge on our ability to project power across the Pacific via military sealift. The vast majority of the USN Strategic Sealift Officers are service-obligated graduates of the U.S. Merchant Marine Academy. We are deeply grateful to the sponsors of the SHIPS for America Act for recognizing that the USMMA campus at Kings Point, NY, built in the 1940s, urgently requires modernization to meet the demands of today's national security threats," said Captain James F. Tobin '77, President/CEO, USMMA Alumni Association and Foundation.

"The Masters, Mates & Pilots strongly supports the SHIPS for America Act. This comprehensive and pragmatic maritime policy initiative will create and support jobs for American mariners, ensuring that our country has the maritime manpower needed to protect and enhance our nation's economic and military security," **said Captain Don Josberger, International President, International Organization of Masters, Mates & Pilots.**

"The International Propeller Club is a steadfast advocate for the SHIPS for America Act. Our nation's maritime industry is at a critical crossroads. This comprehensive maritime policy initiative will protect and enhance foreign policy, national security, and economic prosperity through increased U.S.- flag shipping capability and a revitalization of the domestic shipbuilding industry," **said Maria Conatser, International President, International Propeller Club.** "The Consortium of State Maritime Academies strongly supports the SHIPS for America Act, and is grateful for the bipartisan and bicameral leadership of Sen. Kelly, Sen. Young, Rep. Kelly, and Rep. Garamendi. The Consortium is united in our goal of working with our elected officials to support passage of this Act. Once enacted, the SHIPS Act will result in the United States Merchant Marine once again playing a leading role on the global stage, and the growth of the American maritime industry, a strategically important industry that provides thousands of well paid positions for the nation," said the Consortium of State Maritime Academies.

"With Honor Action applauds Senator Mark Kelly, a Navy veteran, and Senator Todd Young, a Marine Corps veteran, for proposing real solutions to revitalize our nation's shipbuilding base and create more job opportunities for Americans. As advocates for bipartisan, principled veteran leadership in Congress, we are pleased to see veterans who have chosen to continue to serve in Congress working together to address the critical issues facing our nation," **said Rye Barcott, Co-Founder and CEO, With Honor.**

"NDTA supports the strategic rebuilding of the United State's fleet of ships who fly our flag. We must have a fleet of ocean-going vessels to protect the economic security of our nation. The SHIPS for America Act is truly a significant step in the right direction. Everyone in America needs to get educated about the importance of this bill. Rebuilding our U.S. fleet, our shipbuilding capacity, and workforce is a national imperative," said William A. Brown, Vice Admiral, USN (Retired), President and CEO, NDTA The Association for Global Logistics and Transportation.

"U.S. economic and national security is inexorably tied to our nation's shipbuilding capacity. Yet, for too long, China has dominated this critical sector, costing the U.S. tens of thousands of jobs across the shipbuilding supply chain and leaving us less secure as we rely on foreign-made vessels to meet our needs. Our union commends Sens. Kelly and Young and Reps. Garamendi and Kelly as they introduce the SHIPS for America Act. USW members stand ready to contribute their skills in manufacturing the plate steel, coatings, cable, glass, rubber, engines and countless other products we'll need to revitalize American shipbuilding," said Dave McCall, President, USW International.

"In the United States, we have a small number of shipyards focused on building Navy and Coast Guard ships, and a far smaller amount focused on building ocean-going vessels for commercial use. At the shipbuilding supplier level, we have many components that are provided by a manufacturer who may be one of the few, if not the sole, remaining means of production. As noted in the SHIPS Act, we must work with our industrial partners in NATO and Allied nations, but also invest in our American workforce and capabilities. The elements of Buy America legislation incorporated in this Bill are important to reaching this goal," **said Roger Camp, President and CEO, American Shipbuilding Suppliers Association.**

"The reintroduction of the SHIPS for America Act marks a vital step forward in strengthening our maritime supply chain and revitalizing the U.S. commercial shipbuilding industry. This legislation will help ensure that American goods move on American-built ships, operated by American mariners, supporting our economic security and national resilience. We appreciate the inclusion of legislation that would authorize terminal operators to establish tax free accounts for the purchase of cargo handling equipment knowing this will help out industry provide state-of-the-art services. Ports and terminal operators across the country are ready to meet the future with modern infrastructure and a highly skilled workforce—but we need a commercial fleet that can match that capability. The SHIPS for America Act helps close that gap and brings long-overdue investment to a sector critical to our competitiveness. NAWE applauds Senators Kelly and Young for their bipartisan leadership and looks forward to working alongside Congress to advance this important legislation," said Carl Bentzel, President, National Association of Waterfront Employers (NAWE).

"Hanwha Philly Shipyard recognizes and commends U.S. Senators Mark Kelly and Todd Young, and Congressmen Trent Kelly and John Garamendi for their maritime policy leadership in reintroducing the bipartisan SHIPS for America Act. This bill offers tangible incentives to the domestic maritime industry with the goal of expanding the U.S. flag oceangoing fleet. It supports a major recapitalization of the shipbuilding infrastructure in the U.S., provides substantial incentives for the purchase of U.S.-built commercial vessels, and supports the national security and naval shipbuilding goals of the U.S. We see tremendous value in this legislation and believe it would have a long-term positive impact on Hanwha Philly Shipyard, other shipbuilders in the U.S. and Hanwha's investments in America's shipping industry and maritime industrial base," said David Kim, CEO, Hanwha Philly Shipyard.

"For too long, the United States has allowed its maritime strength to decline. In an era of rising great-power competition, revitalizing our maritime capabilities and sending strong signals to the private sector is more essential than ever. The American Legion, on behalf of our 1.6 million dues-paying members, is proud to support this legislation," said James A. LaCoursiere, Jr., National Commander, The American Legion.

See a full list of endorsing statements from maritime leaders and stakeholders here.

For Immediate Release: April 30, 2025 CONTACT: <u>Press@Kelly.Senate.Gov</u> Follow U.S. Senator Mark Kelly on <u>Twitter</u>, <u>Facebook</u>, and <u>YouTube</u>