

Submitted Statement for the Record

Sea Change: Reviving Commercial Shipbuilding

October 28, 2025

Senate Committee on Commerce, Science, & Technology

Subcommittee on Coast Guard, Maritime and Fisheries

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What's Going on With Shipping?

Chairman Sullivan, Ranking Member Blunt Rochester, and Members of the Committee, thank you for the opportunity to testify on *Reviving Commercial Shipbuilding*—a subject that has defined my professional and academic career.

I am a Professor and Chair of the Department of History, Criminal Justice, and Political Science at Campbell University in Buies Creek, North Carolina. I am also a former deck officer in the U.S. Merchant Marine, working both afloat and ashore for the U.S. Navy's Military Sealift Command. After swallowing the anchor, I earned an M.A. in Maritime History and Nautical Archaeology from East Carolina University and a Ph.D. from the University of Alabama, where my dissertation examined the role of American shipping in national defense. I also serve as an adjunct professor at the U.S. Merchant Marine Academy, teaching a graduate-level Maritime Industry Policy, and in 2021, I launched the YouTube channel *What's Going on With Shipping?*

As an active participant and observer of the U.S. maritime industry, I have witnessed its long decline. The SHIPs Act, introduced by Senators Kelly and Young, is the most significant maritime reform effort since the Merchant Marine Act of 1970. Along with measures such as the U.S. Trade Representative's Section 301 port fees and President Trump's Executive Order on Shipbuilding, this legislation represents a critical step toward transforming the United States from a purely naval power into a true maritime power with a revitalized commercial sector.

Twice in the twentieth century, America launched major shipbuilding efforts. The first, led by Edward Hurley during and after World War I, produced a large fleet and inspired

the Merchant Marine Act of 1920—better known as the Jones Act, which laid the foundation for the first national maritime policy. The second effort came with the Merchant Marine Act of 1936, which introduced operating and construction differential subsidies for vessels in international trade and funded the building of 500 ships over ten years. This effort created the industrial base necessary for the Two-Ocean Navy Act and enabled the United States to transport the “Arsenal of Democracy” from the home front to the battlefield.

The SHIPs Act and related measures represent a long-overdue “Merchant Marine Act of 2025.” While ambitious—especially the goal of building 250 ships in ten years—it is essential if we hope to rebuild our maritime capacity. However, achieving these goals requires rebuilding the supporting infrastructure.

A key step is facilitating the reflagging of vessels, as seen with the *CMA CGM Phoenix* and the LNG tanker *American Progress*, and promoting the benefits of American registry. This should include a careful re-examination of the Jones Act—not to repeal it, but to modernize its application. Reflagging ships will require several complementary actions. First, the Maritime Security Program (MSP) and Tanker Security Program (TSP) must be expanded to offset higher U.S. operating costs. Second, consistent cargo flows must be secured through cargo preference laws, government contracts, or incentives for private shippers. For example, offering tax rebates to companies that ship goods on U.S.-flagged vessels or reducing tariffs on goods transported aboard American ships would help level the playing field. These policies would also benefit island and non-contiguous states and territories that rely heavily on Jones Act shipping. Third, the benefits of US-registry vice open registries – such as Panama, Liberia and Marshall Islands – should be more

pronounced with protection afforded by the U.S. Navy against threats like the Houthis and the providing of war risk insurance to mitigate the costs to operate in contested regions.

While large, blue-water vessels take years to construct, a near-term opportunity lies in modernizing the domestic fleet of tugboats, towboats, and ferries. Much of this fleet is outdated and aging, posing both economic and security risks. Insufficient tug capacity, for instance, contributed to the *MV Dali* incident in Baltimore. A national program to replace and modernize these vessels could provide an immediate boost to domestic shipyards and workforce development while enhancing port safety and resilience.

Equally important is investment in advanced maritime technologies that could once again place the U.S. at the forefront of innovation. The Shipping Act of 1916 spurred adoption of oil-fired boilers, freeing U.S. ships from dependence on coaling stations and challenging British dominance. During World War II, prefabrication techniques revolutionized shipbuilding and made mass production possible. Today, the United States has an opportunity to lead again—this time through technologies such as small modular nuclear reactors for maritime propulsion.

Finally, I strongly urge passage of the SHIPs Act to establish a Maritime Security Advisor to lead this effort and a Maritime Trust Fund for financing. Expanding the Investment Tax Credit, Title XI loan guarantees, and Shipbuilding Finance Incentives would redirect American capital from foreign shipbuilding toward domestic production. In addition, the proposed Centers for Maritime Innovation could support research, workforce training, and policy development.

Reviving the U.S. maritime industry is not merely an economic or industrial challenge—it is a matter of national security and global competitiveness. The SHIPs Act provides the vision and framework needed to rebuild our shipbuilding base, reestablish a robust merchant fleet, and ensure that the United States remains a maritime nation capable of sustaining its global role. Thank you for the opportunity to discuss this vital issue. I look forward to your questions.