



Committee: House Foreign Affairs Subcommittee on East Asia & the Pacific
Event: [Charting a New Course: Countering China's Dominance in Global Shipbuilding](#)
Date: July 22, 2026

Executive Summary:

On Wednesday, July 22, the House Foreign Affairs Subcommittee on East Asia & the Pacific held a hearing to discuss the importance of growing the domestic commercial and naval shipbuilding industry to compete with China. There was bipartisan agreement to prioritize the growth of the U.S. shipbuilding industry, and members acknowledged the important role allies play in its advancement. However, members diverged on whether the preliminary efforts to expand domestic shipbuilding should address construction, workforce, or supply chains.

Member Toplines¹:

[Chair Young Kim \(R-CA-40\)](#): Kim expressed support for expanding American shipbuilding capacity, stating it is a serious economic and national security issue. She highlighted the need for investments and assistance from allies to break China's monopoly.

[Ranking Member Ami Bera \(D-CA-06\)](#): Bera emphasized strengthening domestic shipbuilding capacity and workforce to compete with China and protect national security. He highlighted the importance of allies like Japan and Korea in supporting the industry. Bera praised the National Defense Authorization Act for Fiscal Year 2027's ([H.R. 8800](#)) inclusion of multiple components of the Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act ([H.R. 3151](#)).

Witness Toplines:

[Dr. Matthew Funaiole, Vice President and Dracopoulos Chair in Innovation, Center for Strategic and International Studies](#): Funaiole emphasized the national security implications of Chinese maritime domination for the U.S. and its allies. He stressed that the U.S. should focus on greater transparency, investment, and collaboration with allies.

[Brent Sadler, Senior Research Fellow, Naval Warfare and Advanced Technology, Allison Center for National Security, The Heritage Foundation](#): Sadler supported working with key allies to combat China's assault on the U.S.'s maritime industry and national security. He worried that China's industry domination will allow them to control trade terms. Sadler expressed support for the FLEETS Now Act ([H.R. 8615](#)) and SHIPS for America Act. He also advocated for more intelligence gathering on China's shipbuilding industry.

¹ The opening remarks of Ranking Member Bera were unavailable at the time of this memo's distribution.

[J. James Kim, Program Director, Korea Program, Henry L. Stimson Center](#): Kim highlighted that Chinese dominance in shipbuilding carries economic risks like market coercion and critical supply chain concentration. He emphasized three main shipping challenges: labor shortage, supply chains, and lack of demand.

Major Takeaways:

Trade & Supply Chains

- Kim inquired about possible tariffs, entry fees, or sanctions on Chinese commercial vessels or shipbuilders.
 - Sadler replied that both economic tools could be used and the current [Sec. 301 investigation](#) provides a case for more actions. He signalled support for the Pentagon's decision to blacklist specific Chinese shipbuilders.
 - Funaiole emphasized that efforts to shift the market need to be paired with building domestic capacity to limit cost increases. He stated that in the value chains of shipbuilding, liquefied natural gas (LNG) tankers have high profits and complexities.
- Bera asked about the benefits of signing Memorandums of Understanding and the pathways such agreements provide to address other areas of shipbuilding.
 - Kim stated that, firstly, there needs to be greater investment in domestic capacity and workforce buildout before ships can be manufactured domestically.
 - Sadler emphasized that the U.S. shouldn't focus solely on naval shipbuilding because it contributes to the lack of workforce.
- Rep. **Gabe Amo** (D-RI-01) asked how shipyards can secure their supply chains away from China.
 - Kim answered that ship designs and components should be standardized with allies to make them part of the supply chain.
 - Sadler highlighted the need for a naval architect exchange with allies to share key knowledge and train new architects.

Industrial Base & Workforce

- Amo emphasized the need for more skilled workers in the shipbuilding industry, and asked how collaborating with educational and vocational organizations can support workforce development.
 - Kim highlighted Korea and Japan's standardization of shipbuilding design to train new workers easily. He pointed to automation, foreign workers, and arrangements with universities as other workforce development tools.
- Rep. **Andy Barr** (R-KY-06) asked if expanding U.S. shipbuilding capabilities required building new state-of-the-art shipyards and what federal policies would be needed.
 - Sadler replied that the U.S. should consider building out infrastructure and labor in the Pacific Islands.

Maritime Policy

- Rep. **Brad Sherman** (D-CA-32) raised concerns over the environmental regulations and protections across shipbuilding industries.

- Kim pointed to Japan and Korea's use of dual-fuel emissions to achieve "green shipbuilding."
- Del. **James Moylan** (R-GU-AL) asked for additional Congressional recommendations besides the *Jones Act*. He also enquired about the demand for building LNG ships.
 - Funairole emphasized the need for creative thinking regarding *Jones Act* restrictions in terms of return on investments during times of peace. He stated the U.S. doesn't have leverage in shipbuilding, so they should use their energy dominance to gain a market advantage.
 - Kim replied that there is demand for LNG ships and urged the U.S. to expand its LNG portfolio.
- Del. **Aumua Amata Coleman Radewagen** (R-AS-AL) stated that Pago Pago is one of the only U.S. areas not held hostage by the *Jones Act*.
 - Sadler emphasized that the U.S. should prohibit or sanction *Jones Act* fleet ships going to China for maintenance or modifications. He stated that while the *Jones Act* is not the solution against China, it isn't part of the problem.
 - Kim replied that exceptions to the *Jones Act* are not enough. Kim argued federal planning and waivers should be considered.
- Rep. **Ryan Mackenzie** (R-PA-07) asked how the federal government can boost private sector investments and their return on investment.
 - Sadler stated that the incentive structures in the SHIPS for America Act need to include higher workforce salaries and incentives to increase capital investments.
 - Funairole highlighted the need for legislative focus to shift from ship construction to domestic advantages like automation and artificial intelligence.