

How to fund renewed US shipbuilding ambition?

The SHIPS for America Act and other measures to rebuild the US fleet leave open the question of where the money would come from.

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Credit: Hanwha Philly Shipyard

The SHIPs Act took centre stage at Marine Money's New York event this week reflecting the industry wide attention to developments in Washington, D.C.

Keynote speaker Democrat Senator Mark Kelly, the first ever US Merchant Marine Academy graduate in [US](#) Congress, presented a rousing speech focused on the SHIPS for America Act, which he co-sponsored along with legislators from both the Democratic and Republican camps. In his speech, Kelly emphasized that "the [criticality] of the US maritime industry and merchant marine is for our national and economic security".

The defense aspect loomed large in his remarks; the Senator, whose career included 25 years in the US Navy, emphasized that: "In a prolonged conflict overseas, the US and our allies are going to have to rely on the US merchant marine to provide the sealift that we need to support overseas operations...at a time that the US flag is nearly non-existent in international commerce today."

The new legislation, along with directives from the US Trade Representative (USTR), with a special focus on LNG tankers and ro-ro/ car carriers provided the ideal backdrop for the conference.

The SHIPS Act, which includes numerous US government financial and tax incentives, would also require considerable participation from the US financial community, as well as funding sources abroad, who might provide capital for non-US built vessels that could be flagged into the US registry.

The potentially multi-billion dollar scope of a US maritime program was outlined in a quantitative presentation by Ryan Lynch- from Hanwha Shipping. Two sister companies, Hanwha Systems and Hanwha Ocean, acquired what is now Hanwha Philly Shipyard, from its previous owners, Norwegian investors linked to Aker, in late 2024.

Still, the new legislation faces a long arduous voyage through the US Senate and House of Representatives. Another speaker, shipping “influencer” Sal Mercogliano, with an extensive background in maritime history, reminded attendees that the two massive US maritime buildups in the twentieth century had only occurred against the backdrop of worldwide wars.

Investor Wilbur Ross, whose funding had buttressed Diamond S and Navigator Gas, in a one-on-one interview, said that the objective of the SHIPS Act, with 250 vessels to be built over 10 years requires “a huge amount of money”, describing it as “a very heavy lift”. Ross, suggested that the plans “would probably involve some big [Federal] subsidies, probably for the establishment of yards...and most importantly, for the training of workers.”

Ross, who served as Secretary of Commerce in Trump’s first Administration, said “I think he’s quite determined to do it,” referring to President Trump’s understanding of shifting geopolitical dynamics (and alluding to the shipbuilding boom during World War II).

Shipowners also had a chance to weigh in. In a panel moderated by Jones Act expert Charlie Papavizas, Partner at law firm Winston & Strawn, Sam Norton, CEO of Overseas Shipholding Group (OSG), talked about the need for stability in cash flows when supporting long term finance, and lamented the moves over recent decades with oil companies’ “trader mentality”- favoring short term chartering strategies. In his remarks, he also expressed a concern that language in the SHIPS Act needs to be geared more towards series production of vessels (rather than single orders), and that the budget appropriations process should be looked at with an eye towards “How do you put longer term programs in place...without having to run into this political nightmare every year?”

Panel member Ben Bordelon, CEO of Bollinger Shipyards with more than a dozen facilities in the US Gulf coast, also touting the superior economics of the SHIPS Act, summed up the industry view on the proposed legislation. “At this point, it’s still talk as of today, we need some executable things that are going to produce for us,” he opined.