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Statement Submitted for the Record

**House Armed Services Committee, Subcommittee on Seapower and Projection Forces
House Transportation and Infrastructure Committee, Subcommittee on the Coast
Guard and Maritime Transportation**

**Joint Hearing: "Revitalizing Shipbuilding and the Maritime Industrial Base"
April 22, 2026**

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Chairmen Kelly and Ezell, Ranking Members Courtney and Carbajal, and Members of the Subcommittees:

On behalf of the American Iron and Steel Institute (AISI), below please find comments for the joint Subcommittee hearing entitled "Revitalizing Shipbuilding and the Maritime Industrial Base." AISI appreciates the Subcommittees holding today's hearing and for their focus on the commercial shipbuilding and maritime sectors, which play an essential role in our defense industrial base, and as such, our national and economic security. Now is not the time for business as usual, and your willingness to come together – across jurisdictional lines – shows a commitment to and understanding of the importance of American shipbuilding for our economic and national security.

AISI serves as the voice of the American steel industry in the public policy arena and advances the case for steel in the marketplace as the preferred material of choice. AISI's membership is comprised of integrated and electric arc furnace (EAF) steelmakers, steel pipe and tube manufacturers and steel processors and fabricators, reflecting the production and distribution of carbon, stainless and electrical steels. These steels are critical to America's national and economic security, including roads and bridges, buildings, the electrical grid, defense applications, cars and trucks and all clean energy technologies. AISI also represents associate member companies who are suppliers to or customers of the steel industry.

I. AISI Supports the SHIPS for America Act (H.R. 3151)

AISI supports and urges Congress to pass the Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act (H.R. 3151, S. 1541). We commend

Representatives Trent Kelly (R-MS) and John Garamendi (D-CA) and Senators Mark Kelly (D-AZ) and Todd Young (R-IN) for their leadership on this important legislation. Critically, the SHIPS for America Act has a broad set of bipartisan cosponsors, representing all geographic areas of the country. And there is a lengthy and diverse list of critical industry stakeholders who also have endorsed the legislation, including AISI.¹ We thank them all for their support of this bicameral, bipartisan legislation.

The SHIPS for America Act would enable a comprehensive approach to revitalizing the United States shipbuilding and commercial maritime industries. It will help revive American-flagged commercial shipping and create tens of thousands of jobs at U.S. shipyards and within the American shipbuilding supply chain. In particular, the SHIPS for America Act will increase demand for domestic steel plate and other highly-specialized steel products essential for a revitalized American-made commercial shipbuilding industry. Many of the key provisions of the legislation are also recognized as important policy items for revitalizing domestic shipbuilding in the Maritime Action Plan (MAP), released by the White House in February.² Specifically, President Trump's Maritime Action Plan and the SHIPS for America Act share the same basic goals: 1) increase domestic shipbuilding capacity, 2) revitalize and expand the maritime industrial base, 3) train the next generation maritime workers, and 4) enhance national security including by collaborating with allies and trusted partners.

AISI is encouraged that the four pillars introduced in the MAP align with the efforts of the SHIPS for America Act. Particularly, the focus on enhancing the domestic industrial base through procurement rules, trade enforcement, and investments in the supply chain is vital to the long-term success of American maritime dominance.

II. Chinese Unfair Trade Practices Threaten both American Steel and Shipbuilding

As Members of Congress are aware, many of the challenges the American steel industry faces are due to predatory actions undertaken by China in recent decades. Trade-distorting economic policies by China and other countries have contributed to massive global overcapacity in steel, totaling 604 million metric tons (mmt) globally last year, up from the prior year's total of 574 mmt. Much of this excess capacity is being produced in non-market-oriented countries.

According to a recent statement by the Organization for Economic Cooperation and Development (OECD), China's steel exports reached a record high in 2025 – surpassing

¹ "Endorsing Statements, SHIPS for America Act," Senator Mark Kelly, April 2025. Available at: https://www.kelly.senate.gov/wp-content/uploads/2025/04/Endorsing-Statements_SHIPS-for-America-Act-4.30.2025-1.pdf.

² "America's Maritime Action Plan, the White House," February 2026. Available at: <https://www.whitehouse.gov/wp-content/uploads/2026/02/Restoring-Americas-Maritime-Dominance.pdf>.

the combined exports of the rest of Asia. Furthermore, its level of state subsidies also increased drastically.³ China's increased production and exports come at a time when its domestic consumption of steel has decreased. The result is that China's trade-distorting practices, such as subsidies, circumvention and dumping, are critical tools for selling its excess steel at below market prices.

Further, through its "Belt and Road Initiative," the Chinese government is also subsidizing its steel producers as they build significant additional export-oriented steelmaking capacity outside of China – particularly in Southeast Asian countries like Vietnam and Indonesia. From 2010 to 2020, crude steel capacity in the Southeast Asian region doubled and significant additional capacity expansion is underway – over 80 percent of which is the result of Chinese cross-border investments. China's subsidization of its companies allows them to undersell steel producers throughout the world, leading to a race to the bottom.

Just like in the global steel sector, the United States Trade Representative's January 2025 report on China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance explains how China's acts, policies, and practices have crowded out global competition in commercial shipbuilding by providing its shipbuilders with many forms of state support. These unfair trade practices include direct government subsidies, provision of key supply chain materials like steel at below-market prices, and support for predatory pricing of final product exports, among many other trade-distorting practices.⁴ As a result, while the American shipbuilding sector has languished, China's has flourished. Today, China produces 1000 ships a year while the United States produces ten. Policy measures are needed to revitalize domestic shipbuilding to address these challenges and enable the creation of a stable, sustainable shipbuilding sector. The SHIPS for American Act is a much-needed first step.

III. A Strong American Steel Industry is Essential for Shipbuilding

Essential to rehabilitating U.S. shipbuilding capabilities is maximizing the utilization of domestic industries that are part of the shipbuilding supply chain, including American steelmakers. American steel companies can supply high-quality steel that directly supports the construction of vessels critical to our economic and defense priorities. Reviving U.S. shipbuilding capabilities has the potential to create tens of thousands of

³ "99th Session of the Steel Committee: Statement by the Chair," March 24, 2026. Available at: <https://www.oecd.org/en/about/news/speech-statements/2026/03/99th-session-of-the-steel-committee-statement-by-the-chair.html>.

⁴ "Section 301 Investigation – Report on China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance." Federal Register. Trade Representative, Office of the United States. January 14, 2025. Available at: <https://ustr.gov/sites/default/files/enforcement/301Investigations/USTRReportChinaTargetingMaritime.pdf>.

jobs at U.S. shipyards and within the entire shipbuilding supply chain at manufacturing operations that produce key inputs across the country.

The American steel industry is one of the primary suppliers of critical raw materials to America's shipbuilding industry. Steel, especially steel plate, is a critical and irreplaceable material used for construction of commercial and military ships. The U.S. has significant steel plate production, including specialty plate for shipbuilding applications, which is currently substantially underutilized. In fact, the U.S. International Trade Commission, in a recent trade remedy proceeding, found that capacity utilization in the cut-to-length (CTL) plate sector was an average of 67.8 percent over the period examined.⁵ Since that case, domestic CTL plate capacity has only increased, with additional new capacity coming online. U.S. steel producers have the capability and capacity to meet the steel demands of shipbuilders as they increase their domestic build rates. In order to maximize the benefits of revitalizing our shipbuilding industry, including for suppliers to the sector, Congress and the Administration must institute policies that incentivize utilization of domestic supply chains, not just final assembly.

AISI and our member companies are committed to producing the highest quality steel, produced by Americans, for American shipbuilding, delivered to American shipyards on time. We look forward to continuing to work with Congress and the administration to create and implement policies that are essential for a revitalized American-made shipbuilding industry.

IV. Conclusion

AISI and our member companies welcome this joint hearing and appreciate Congress and the Administration's continued attention to this important issue. The SHIPS for America Act will strengthen and expand the U.S. shipbuilding industrial base – enhancing U.S. national and economic security and restoring the competitiveness of America's shipbuilding sector, including the domestic steel industry. We look forward to working with Congress to pass this important legislation and have it signed into law.

⁵ Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, South Africa, South Korea, Taiwan, and Turkey, Inv. Nos. 701-TA-560-561 and 731-TA-1317-1328, USITC Pub. 5399 (Jan. 2023) at C-9 (Table C-1).