

U.S. Senator Maria Cantwell (D-WA)

Senate Commerce Subcommittee on Coast Guard, Maritime, and Fisheries

Hearing titled, “Sea Change: Reviving Commercial Shipbuilding”

October 28, 2025

Witnesses:

- **Mr. Matt Paxton, President, Shipbuilders Council of America**
- **Mr. Jeff Vogel, Vice President of Legal, TOTE Services**
- **Dr. Salvatore Mercogliano, Professor, Campbell University**
- **Ms. Tuuli Snow, Talent Acquisition & Engagement Manager, Snow & Company, Inc.**

Sen. Cantwell – Opening Remarks

VIDEO

Sen. Cantwell: Thank you, Chairman Sullivan, and thank you to Senator Blunt Rochester, and thank you for holding this important hearing on shipbuilding and I appreciate our witnesses being here. Shipbuilding is a bipartisan issue, and we all agree that we need to do more to have American-built and American-crewed ships to expand global trade, protect our supply chain, and bolster national security. It was great to have the MARAD nominee before us last week who shared an enthusiastic vision of how the United States needs to regain our maritime leadership. I look forward to confirming him in this spot.

Following decades of decline, the United States constructs just... 0.2 percent of the world's commercial shipping tonnage, while China, South Korea, Japan build more than 90%. In fact, in 2022, China had 1,794 commercial ocean-going ships under construction. South Korea had 734, Japan had 587, Europe had 319, and the United States, we were just building 5.

Our economy depends on trade. We know that in the Pacific Northwest, where about 40 percent of our state's [jobs are] dependent on trade, if we do not...revive our shipbuilding capacity, our nation will not be able to compete at this particular moment in the Pacific. That puts our economy at risk, it creates a dangerous weakness in our national defense, so we must continue to protect the Jones Act, expand and streamline Title XI loan guarantee program, and modernize our infrastructure. And we must do more to maintain American cargo through cargo preference oversight and through support for legislation like Senator Moran's bill to move food aid to USDA.

We need to invest in the technology and training to establish cutting-edge maritime ecosystems so that our shipyards and our workers can build the most sophisticated ships in the world. In the

state of Washington, the maritime sector supports 174,000 jobs through maritime logistics, shipping, ship building, seafood, maritime transportation, and associated trades. In total, the sector supports \$45 billion of economic revenue and shipbuilding in particular are good family wage jobs with an average salary of \$120,000 -- can you imagine that -- an average job.

Ms. Snow is here today, representing her family's shipyard in Seattle, which has grown from 30 employees in 2020 to more than 100 employees today. As our shipbuilding and maritime economy is at a crossroads, I encourage my colleagues to listen to Ms. Snow as she speaks about the model they've developed to try to bring more talent to the shipyard. And by recruiting new talent to shipbuilding, she is meeting the demand for employees but also providing us with how this issue may be applied across the country.

Mr. Paxton, when it comes to thinking big, you represent one of the largest shipyards in the country, including Vigor, who has operated in the state of Washington, so I look forward to hearing from you about how you can boost capacity in the larger yards, including financing and your support for workforce challenges.

Mr. Vogel, as a logistics expert at Tote, I welcome your views on construction management and how we better support the U.S. flag fleet. My colleague Senator Sullivan and I have worked on many issues, including getting the port at Anchorage fully supported and the capacity that it will take to continue to deliver important products there. And Dr. Mercogliano... I understand you have proposed a 'mariner reserve', similar to military reserves, and that is an idea I hope our committee will consider and think about.

Thank you all for being here. I look forward to working with my two colleagues here. I think the President, I think the MARAD nominee, and I think the Secretary of Transportation have all said they want to make this maritime revival a national priority. I do too. So, look forward to hearing the comments at today's hearing. Thank you.

Tuuli Snow – Opening Remarks

VIDEO

Tuuli Snow: Thank you. My name is Tuuli Snow. My family owns and operates one of the last independent boat building companies in Seattle, Washington. In a city that used to be the home of dozens of ship builders, this is quite a feat.

We build work boats, pilot boats, fishing vessels, and tug boats, in addition to a contract we hold to build 53 boats for work boats for the US Navy. Last year, we built the first hybrid vessel in the U.S. Department of Energy's fleet, and we're currently building a set of first-of-their-kind, electric tugs for a company in Long Beach, California.

Small shipyards like ours are essential to supporting the maritime economy. Five years ago, Snow & Company had 30 employees, and this year, we have just over 100. This is not par for the course in terms of hiring.

Shipyards across the U.S. are struggling to attract and maintain talent for a few reasons, most of which include ignoring vast labor markets. A lot of our growth has been due to a deeply innovative change that I have made in focusing on hiring from non-traditional avenues. We hire veterans, immigrants, refugees, individuals coming out of prison or starting work release, and seek people from communities that have traditionally been overlooked or excluded from the maritime industry.

I often say that I play for the maritime long haul, not just for our company. Investing my time and energy into building a better industry, not just a better business. Historically in nature and across the globe, we have seen a more diverse ecosystem is often a more fruitful one, more sustainable, more creative, and more effective.

A great barrier to entering the maritime community is exposure. People are unaware of what is out there. Many believe you have to go to sea in order to get a maritime job, because they don't know any other aspects of this industry. They don't realize you could be a project manager or a naval architect, an electrical engineer, or even a nurse. This isn't a career path that was introduced to them in kindergarten, middle school, or high school. People don't see the same opportunities and career pathways as other industries.

I enter communities, neighborhoods and towns in Washington to share the great opportunities in this industry and hopefully encourage more people to join it. There's been a huge boom in young people returning to trade school and traditional apprenticeships in the last two to five years. There's less public shame than in the recent past, where technical colleges have been viewed as less valuable than other four-year universities.

People complete these technical programs or apprenticeships with an active and applicable skill set ready to enter the workforce and bear significantly less debt. In apprenticeship programs, young people are paid while learning these valuable and necessary skills. This is a change we greatly need but has made a gap in skills visible.

We have hundreds of maritime experts that are ready to retire and a new workforce excited to learn. But this makes our expertise an hourglass shape, heavy on entry level and heavy on expert, but less concentrated and mid-level trades people.

Investment in our youth is absolutely vital, and this hourglass shows, so is investment in working adults. Opportunities to learn new trades and skills, opportunities to be mentored and trained, opportunities that should be granted to those we traditionally ignore.

There's a common misconception that you must speak English to have an impactful job in the United States, which I have repeatedly proved to be inaccurate. Two years ago, I had a Ukrainian refugee reach out to me via email stating he could not speak English, but he could weld, and he wanted to apply at our company.

I invited him in for an interview and weld test, which the hiring manager was initially very sure would not work out due to his lack of English. About 30 minutes later, after his weld test was complete, the hiring manager came back to me and said, "If I do one thing right this year, it's hiring this man, because he is incredible."

After passing his E-Verify check, we started him immediately. That individual now leads a team of Ukrainian and Russian refugee fabricators and welders. He's one of our highest paid production employees, proving to us that you don't need to speak English to work hard with exceptional results. In a time when we have immediate access to technology that can translate quickly and effectively, taking a chance on skilled non-English speakers seems like an obvious opportunity to me.

Building a good team is one thing and keeping it as another. To keep our employees happy, healthy and present, and to attract young talent, we provide 100% employer paid health insurance, with 80% for any dependents the employee has. Most businesses can't or just won't do this, but we see it as a necessity to build a strong team. We feel the cost is made up for and reflected in the high-quality products we produce.

Shipping and ship building are absolutely essential to the livelihood and strength of our country and economy. My request today from all of you is for an investment in the maritime industry, an investment in industrial lands to protect businesses like ours, allocation of funds to small shipyard grants, investment in youth and education to grow this sector for decades to come, investment in health and welfare of our employees, investment in adults looking to learn new skills that will inflate our diminishing workforce, and an investment in marginalized communities that will breathe new life, creativity, and innovation into this industry.

Thank you. I look forward to your questions.

Sen. Cantwell – Q&A Exchange

VIDEO

Sen. Cantwell: Thank you, Mr. Chairman, following up on that point, Ms. Snow...you listed a whole line of things that you guys have done -- various ships. How does the shipyard grant boost your capacity?

Ms. Snow: That's a great question. We are the recipient of a MARAD Small Shipyard grant, and that allowed us to buy a deburring machine, a laser cutter and a press brake, which we would have to outsource otherwise. So we now have made 15 to 20 more jobs within our business. We've also expanded the number of things that we can do and build -- so we can be open for 16 to 20 hours a day instead of eight hours a day, because we have an entirely new element to our business.

Sen. Cantwell: So boosting those MARAD Small Shipyard grants is a huge capacity building -- how many jobs would you say that helped?

Ms. Snow: For just this one specifically, we hired 15 to 20 more people, and then it has changed the track of other people's career paths, where they get to learn more and new, diverse things. It also would allow us -- if we received another -- would allow us to create our own in-house apprenticeship program, where we could allocate those funds specifically just for a teacher and educator.

Sen. Cantell: Thank you. Mr. Paxton, do we have the capacity to build icebreakers?

Mr. Paxton: Well, I do think we have that capacity, and that you don't have to take my opinion on that. An RFI went out asking the question MARAD had asked...would you bid on the icebreaker contract? And seven shipyards came back and said they did, in fact, two entities -- unsolicited -- put proposals in that could deliver an icebreaker within the four-year period of this administration.

Sen. Cantwell: So we don't have to outsource to another country?

Mr. Paxton: I don't think we do.

Sen. Cantwell: Thank you for that. Everybody's mentioned the finance program. Should we make the finance -- Title XI or something like it -- apply to fishing vessels? Since they don't, they're not eligible under Title XI. Mr. Vogel and Mr. Paxton?

Mr. Vogel: Absolutely Senator. The fishing industry is a critical customer for our commercial shipyards. Title XI can help to really invigorate and accelerate the investments that are made by commercial fishing companies in building new capacity. A lot of our fleet is quite aged at this point and needs to be recapitalized. Things like Title XI, providing the loan guarantee can really help to accelerate that recapitalization.

Sen. Cantwell: So you would, you would just put fishing in there?

Mr. Vogel: I would absolutely support expanding the Title XI authorization to include fishing, Senator.

Sen. Cantwell: Great, great, that's good to hear. And then, you know, back to this...price signal thing. You talked about incentives on the...various tax incentives. Does somebody have a viewpoint there of what needs to happen?

Mr. Vogel: Yes, Senator, I think there are two great aspects of the Ships for America Act, and it has a separate focus, really, on tax incentives. One, a 25 percent tax credit for investment in shipyards can accelerate much of the reinvestment that we need in commercial shipyards. And then the fuel parity tax aspects to ensure that companies that are making investments in the newest technology are not unfairly disadvantaged in competing in our domestic trades.

Sen. Cantwell: Thank you. Well, that's been our traditional tool at the federal level, so I'm glad to see that people want a demand signal. That was our goal with Chips and Science as well -- to say that there's a demand signal to innovate in the United States of America because of those incentives. Here, we have a larger challenge to get that infrastructure right and move forward. And Dr. Mercogliano, you mentioned that shipping is national defense. Do you think that we need to do more to integrate? I'm not sure I heard many people say anything about AI or blockchain technology, but isn't there a way for the United States to move even faster -- I see Ms. Snow you shaking your head -- to move faster on new innovation technology to help with shipping logistics?

Dr. Mercogliano: I think so. I think technology is the one advantage that the United States has consistently brought to bear that allows us to propel ourselves past competition. And if we can incorporate that -- I always argue that the greatest innovation in shipping came from somebody outside the shipping industry -- Malcolm McLean came up with the containers, containerization. So AI, you know, anything we can do to assist that, I think, is key for us maximizing. The question is how do we integrate it into the shipping aspect right now? Because, again, a lot of AI and a lot of those developers don't know anything about it, and we're not doing a great job in bringing that technology into it.

Sen. Cantwell: That's what I see in my state, and I don't know Ms. Snow, if you have a comment -- my time is running out. But I have seen the blockchain people come to the sector with ideas, but then you have to get somebody in the sector. So I do think maybe a program that helps propel that along would be something that people would take advantage of, as opposed to just kind of standing still when they hear about it, right? We need these two things to be married together. Thank you very much. Mr. Chairman.