
Ensuring Coast Guard Readiness Act

U.S. Coast Guard vessels support a variety of mission demands, including maritime border security, enabling U.S. economic activity, defending U.S. sovereignty in the Arctic, maintaining open waterways in the Great Lakes, monitoring coastal traffic, and supporting scientific research.

Current law prohibits the U.S. Coast Guard from constructing a vessel or a major component of the hull or superstructure in a foreign shipyard, leaving the construction to the small and inexperienced domestic shipyards. To enhance our maritime capabilities, the United States should consider partnering with NATO allies and benefitting from these countries' comparative advantage in shipbuilding.¹

In addition, these shipyards have the ability to deliver particular vessels much faster than domestic shipyards – which can take three to four years to complete. New ships are incredibly expensive to build domestically, with icebreaker construction estimated at \$1.2 B. Finland, the world leader in ice breaker construction, can build an ice breaker for \$150 M in under 2 years. Foreign shipyards can build icebreakers for a fraction of the cost, in half the time.

Allowing the Coast Guard and Navy to partner with allied NATO shipyards would help get Coast Guard ships into American waters quicker to fulfill mission demands without generating security concerns, while making the U.S. more economically competitive.²

Senator Lee's Ensuring Coast Guard Readiness Act allows the Coast Guard to construct a vessel or a major component of the hull or superstructure in a foreign shipyard if:

- The shipyard is located in a NATO country or in an Indo-Pacific country with which the U.S. has a current mutual defense agreement;
- The cost is cheaper in such shipyard than would otherwise be in a domestic shipyard;
- The Commandant of the Coast Guard certifies, prior to construction of a U.S. vessel, that the foreign shipyard is not owned or operated by a Chinese company or multinational domiciled in China.

¹ Quoting March 2019 testimony provided by General Steve Lyons of U.S. Transportation Command to the House Committee on Armed Forces, CRS notes that "The Navy is contemplating the need to accelerate the purchase of used, foreign-built ships because building new ships in U.S. yards is estimated to be 26 times more expensive and thus not affordable."

² See Senate Commerce Committee, Subcommittee on Security, recent Subcommittee Hearing (December 8, 2020) at 1:47:55. In response to a question from Senator Lee on whether foreign shipbuilding would pose any security issues, especially if done by friendly nations, Admiral Ray, the Vice Commandant of the Coast Guard noted that to his knowledge, security issues were not a concern.