

Congress of the United States

Washington, DC 20515

January 27, 2026

The Honorable Pete Hegseth
Secretary of War
U.S. Department of War
1000 Defense Pentagon
Washington, DC 20301

Dear Secretary Hegseth:

We write to encourage the Department of War to give deliberate and sustained consideration to small and mid-sized domestic shipyards, including those in South Louisiana, when awarding shipbuilding, repair, modernization, and sustainment contracts, as the Department works to restore America's shipbuilding capacity and strengthen the nation's defense industrial base.

Rebuilding domestic manufacturing and shipbuilding is essential to national security, fleet readiness, supply chain resilience, and the overall strength of the U.S. defense enterprise. As the Department's "Arsenal of Freedom" tour underscores, national security and the peace of the world move at the speed of our defense industrial base and rely on the hard work and ingenuity of the American workforce.

Over the past two decades, repeated delays and capacity constraints at the nation's largest prime shipyards have underscored the risks of concentrating shipbuilding and sustainment work among a small number of facilities. As documented by the Government Accountability Office, Navy shipbuilding programs have experienced persistent delivery delays and cost growth driven by workforce shortages, infrastructure limitations, supply chain challenges, and shipyards operating at near capacity.¹ These systemic issues have persisted across multiple ship classes despite sustained federal investment, highlighting structural weaknesses in the shipbuilding industrial base.² Broadening participation to include capable small and mid-sized shipyards would help relieve pressure on overextended prime contractors, improve schedule reliability, and strengthen overall maritime readiness.

Louisiana's small and mid-sized shipyards already operate in a manner consistent with the Department's stated aim to prioritize speed, innovation, and a "commercial-first" mindset in defense acquisition. These yards compete daily in fast-moving commercial markets, where success depends on rapid execution, continuous innovation, and disciplined cost control. That operating model enables them to adapt quickly to evolving requirements, integrate new technologies, and deliver complex vessels at pace—capabilities that directly support the Department's effort to modernize procurement and strengthen the defense industrial base.

Equally important, these yards anchor a strong and sustained maritime workforce. South Louisiana's shipbuilding workforce is deep, experienced, and generational—comprised of welders, fitters, naval architects, engineers, electricians, machinists, and other skilled tradesmen. Investing in stable, long-term contract opportunities helps grow this workforce, preserves productive careers, and ensures capacity to deliver for warfighters today and in the decades to come.

As the Department evaluates current and future procurement strategies, we respectfully urge consideration of approaches that broaden participation across the industrial base, including by structuring solicitations to allow capable small and mid-

¹ Government Accountability Office, *Navy Shipbuilding: Enduring Challenges Require Coordinated Actions to Improve Outcomes*, GAO-23-105805 (2023).

² Adm. Michael Gilday, Chief of Naval Operations, Remarks at the Heritage Foundation, U.S. Navy (Aug. 25, 2022),

<https://www.navy.mil/Press-Office/Press-Briefings/display-pressbriefing/Article/3161602/cno-speaks-at-the-heritage-foundation/>

sized yards to compete on a level playing field, reducing unnecessary barriers to entry and bureaucratic red tape, and awarding contracts that provide the stable, long-term demand signals necessary for industry to invest and expand.

Restoring American shipbuilding capacity will require more than restoring production levels at a handful of yards—it requires rebuilding depth, variability, and resilience across the entire industrial ecosystem. Doing so will strengthen our defense industrial base, reinforce competition and innovation, and ensure that the United States remains the world's arsenal of freedom in both manufacturing and maritime power.

We appreciate the Department's leadership on these issues and welcome continued engagement on how best to ensure the full American shipbuilding industrial base is positioned to support national defense.

Sincerely,

Bill Cassidy, M.D.

Bill Cassidy, M.D.
United States Senator



John Kennedy
United States Senator



Clay Higgins
Member of Congress