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ROK-U.S. Naval Vessel MRO Cooperation: Current Status and Challenges

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The 2024 introduction of the U.S. RSF and PIPIR, aimed at restoring U.S. Navy readiness and bolstering the sustainment capabilities of regional allies, alongside South Korea's 2025 MASGA proposal to facilitate tariff negotiations, has transformed ROK-U.S. shipbuilding cooperation into a comprehensive, whole-of-government agenda. This strategic alignment now encompasses several critical issue areas, including national security, diplomacy, industry, and economy. Among these domains, the most tangible progress as of 2026 has been realized in the sphere of naval vessel MRO. Since 2024, Korean shipbuilders have successfully secured and executed multiple maintenance contracts for U.S. Navy MSC vessels, establishing a practical proving ground for forward sustainment cooperation. Nevertheless, the current arrangement remains overly reliant on individual contracts rather than a formalized institutional framework. The task ahead is not merely to secure more individual awards but to strategically reposition MRO as a foundational instrument for the modernization of the ROK-U.S. alliance. Achieving this requires the simultaneous advancement of a standing consultative framework, the alignment of regulations and procedures, and the cultivation of predictable demand signals, all of which are underpinned by the continued accumulation of performance records and mutual trust. Through this process, ROK-U.S. MRO cooperation can evolve from an ad hoc, contract-by-contract arrangement into a structured and predictable form of the bilateral security partnership.

1. Introduction

ROK-U.S. shipbuilding cooperation has emerged as a strategic agenda, integrating issue areas across security, diplomacy, industry, and the economy. This alignment is advancing under a range of banners, most notably the Regional Sustainment Framework (RSF), the Partnership for Indo-Pacific Industrial Resilience (PIPIR), and the Make American Shipbuilding Great Again (MASGA) initiative. While bilateral discussions have rapidly expanded to encompass both commercial and naval sectors, including new construction and maintenance, repair, and overhaul (MRO), the most substantive and visible progress has been realized in the sphere of naval vessels, particularly naval MRO. Indeed, the U.S. executive branch, Congress, and the policy community have explored naval cooperation with their allies through various pathways,

consistently identifying MRO as a pragmatic domain of cooperation already underpinned by established policy foundations such as the RSF.[1)]

This assessment is corroborated by recent official documentation and operational milestones. The Joint Communiqué of the 57th ROK-U.S. Security Consultative Meeting (SCM), issued in November 2025, commended the MRO projects executed by Korean firms on U.S. non-combatant vessels and explicitly stated that MRO of a U.S. warship would take place in South Korea for the first time.[2)]

Nevertheless, these milestones do not yet constitute the structured institutionalization of ROK-U.S. naval vessel MRO cooperation. While the United States has sought to expand region-based maintenance and sustainment cooperation with allies through the RSF and PIPIR,[3)] it remains hesitant to relax protectionist regimes, such as domestic shipbuilding and repair industrial base requirements or its stringent export control frameworks. The immediate imperative, therefore, is to transcend the accumulation of individual contracts and to establish the foundations necessary to transform ad hoc engagements into a structured and sustainable cooperative arrangement.

Against this backdrop, first, this article aims to elucidate why MRO has served as the vanguard of ROK-U.S. naval cooperation. While evaluating the current state of engagement through an analysis of recent contracts and official documents, the article will examine the principal systemic constraints that hinder further development of ROK-U.S. naval vessel MRO cooperation. Lastly, it will propose a strategic policy trajectory for the future.

2. MRO as the Catalyst for Substantive Cooperation

In the evolution of ROK-U.S. naval discourse, MRO has been consistently identified as the most viable starting point for several compelling reasons. Cooperation in naval new construction remains encumbered by an overlapping set of political, legal, industrial, and technological barriers—including 10 U.S.C. § 8679 (the Byrnes-Tollefson Amendment), recurring prohibitions on overseas construction of naval vessels under annual defense authorization and appropriations acts, the Buy American Act, the International Traffic in Arms Regulations (ITAR), and various other security rules. Collectively, these frameworks impose a formidable threshold for market entry. By contrast, while MRO is subject to certain restrictions under 10 U.S.C. § 8680 (Maintenance of Naval Vessels) for vessels homeported in the U.S. or Guam, cooperative space exists for Seventh Fleet ships homeported in Yokosuka and Military Sealift Command (MSC) ships.[4)]

For the U.S., naval vessel MRO represents an area where the operational availability and sustainment of forward-deployed forces can be bolstered without undermining the domestic shipbuilding base. For Korea, it provides a pragmatic environment in which industrial competency can be demonstrated and strategic trust cultivated. Notably, the focus on non-combatant ships since 2024 reflects a calibrated U.S. preference for a phased approach, initiating cooperation in areas of lower political and security sensitivities before scaling to complex combatants.

Furthermore, naval MRO is intrinsically linked to the broader modernization of the ROK-U.S. alliance. As the partnership evolves, the alliance is likely to prioritize functional role adjustments, equitable burden-sharing, and the integration of forward sustainment networks over simple force presence.[5)] Analyzed through this lens, the participation of Korean shipyards in MRO transcends mere industrial or economic cooperation: it represents a tangible operational experiment in recalibrating the logistics and sustainment architecture of the ROK-U.S. alliance under the RSF and PIPIR frameworks.

3. Progress in ROK-U.S. Naval MRO Cooperation

ROK-U.S. naval vessel MRO cooperation is currently transitioning beyond the experimental phase toward a verifiable, repeatable operational pattern. Following Hanwha Ocean's Regular Overhaul (ROH) contract for the USNS Wally Schirra in August 2024, contractual awards have accelerated. A contract for the USNS Yukon followed in November of the same year. Throughout 2025, contracting momentum continued with the USNS Charles Drew, USNS Alan Shepard, a subsequent Mid-Term Availability (MTA) on the USNS Wally Schirra, the USNS Cesar Chavez, and the USNS Amelia Earhart. In 2026, this was followed by a contract for the USNS Richard E. Byrd. While Hanwha Ocean led these early contracts, the subsequent entry of HD Hyundai and HJ Shipbuilding & Construction has diversified the supply base.

Table 1. Korean Firms' MRO Contracts on U.S. Navy Vessels ('24-'25)

Start Date	End Date	Ship Name	Recipient	Description	Awarding Office
24.08.28	25.03.15*	USNS Wally Schirra (T-AKE)	Hanwha Ocean	ROH	NAVSUP FLC Yokosuka
24.11.08	25.07.25	USNS Yukon (T-AO)	Hanwha Ocean	ROH	NAVSUP FLC Yokosuka
25.07.01	25.11.25	USNS Charles Drew (T-AKE)	Hanwha Ocean	ROH	NAVSUP FLC Yokosuka
25.08.05	25.12.29	USNS Alan Shepard (T-AKE)	HD Hyundai Heavy Industries	ROH	NAVSUP FLC Yokosuka
25.09.26	26.01.15	USNS Wally Schirra (T-AKE)	Hanwha Ocean	MTA	NAVSUP FLC Yokosuka
25.12.11	26.03.19	USNS Cesar Chavez (T-AKE)	HD Hyundai Heavy Industries	ROH	NAVSUP FLC Yokosuka

1) Henry Carroll and Cynthia R. Cook, "Identifying Pathways for U.S. Shipbuilding Cooperation with Northeast Asian Allies," CSIS, May 15, 2025.

2) U.S. Department of Defense, "57th Security Consultative Meeting Joint Communiqué," Nov. 14, 2025.

3) U.S. Department of Defense, "DOD Announces the Regional Sustainment Framework," May 15, 2024; U.S. Department of Defense, "Endorsing a Statement of Principles for Indo-Pacific Defense Industrial Base Collaboration," May 31, 2024.

4) Kwon Namyeon and Kim Jinho, "Directions for ROK-U.S. Naval Shipbuilding and MRO Cooperation," ROK Angle, KIDA, December 17, 2025.

5) Seol Inhyo, "Alliance Modernization and the Future of the ROK-U.S. Alliance," RINSA FORUM, vol. 101, December 31, 2025.

25.12.14	26.03.24	USNS Amelia Earhart (T-AKE)	HJ Shipbuilding & Construction	MTA	NAVSUP FLC Yokosuka
26.03.30	26.05.28	USNS Richard E. Byrd (T-AKE)†	HD Hyundai Heavy Industries	ROH	NAVSUP FLC Yokosuka

*Note: * Initial award Potential End Date 24.11.02. † Based on Korean press reports of April 19, 2026 and the corresponding SAM.gov solicitation notice; awarded contract notice has yet been identified in federal procurement records.*

These cases exhibit three common features. First, all contracts originated from NAVSUP Fleet Logistics Center Yokosuka, indicating that the utilization of Korean shipyards is fundamentally integrated into the U.S. Navy's forward sustainment architecture in the Western Pacific. Second, all participating vessels are MSC auxiliaries—such as dry cargo/ammunition ships (T-AKE) and replenishment oilers (T-AO). These non-combatant vessels allow for the proof of concept while navigating lower security and technology leakage sensitivities. Third, the shift from emergency repairs to planned maintenance, such as ROH and MTA, is a critical milestone. It signifies that Korean shipyards are being systematically integrated into the U.S. Navy's sustainment architecture rather than serving merely as contingency repair sites.

The case of the USNS Wally Schirra is particularly symbolic. The award of the 2024 ROH contract followed by the 2025 MTA contract for the same vessel to a Korean firm indicates that ROK shipyards are no longer viewed as an ad hoc experiment but rather as reliable partners integrated into a cycle of recurring utilization. This accumulated performance likely served as the empirical catalyst for the 57th SCM Joint Communiqué, which formally announced that the MRO of a U.S. warship will take place in South Korea.

4. Issues for the Further Development of ROK-U.S. Naval MRO Cooperation

Although recent contract outcomes are clearly encouraging, it is premature to conclude that ROK-U.S. naval vessel MRO cooperation has been structurally consolidated. Across the MASGA initiative, which addresses bilateral shipbuilding cooperation as a whole, and the RSF and PIPIR, which focus on naval cooperation, active industry participation remains indispensable. In this context, unclear demand signals, conflicting U.S. policies, and various regulatory barriers all act as significant impediments to sustained industry engagement.[6] These barriers cannot be overcome through the success of individual contracts alone; they require a high-level policy resolution.

First, the most immediate practical challenge is the lack of a predictable demand signal. Shipbuilding and maintenance require immense capital outlays for drydock infrastructure, skilled labor, and supply chain management. While the U.S. Navy generates long-term maintenance plans, and the maintenance for surface ships is reportedly set approximately two years before work begins,[7] these do not yet provide the "throughput assurance" necessary for industry to commit resources. As noted by the Government Accountability Office (GAO), "demonstrating steady demand for ship repair" is a primary measure to reduce maintenance delays. However, the GAO also observed that, despite the Navy's workload projections for the current and subsequent three fiscal years, the actual workload estimates have fluctuated significantly, with expected volumes exhibiting a sustained decline over time.[8] Consequently, current schedule-sharing mechanisms do not yet provide the stable and credible throughput assurance necessary for industry to invest in facilities, workforce, and supply chains on a long-term horizon.

Table 2. Principal Legal and Regulatory Constraints on ROK-U.S. Naval MRO Cooperation

Regulation	Constraints
10 U.S.C. § 8680	U.S.- or Guam-homeported naval vessels may not be overhauled, repaired, or maintained in a shipyard outside the United States; constrains expansion of overseas naval vessel MRO.
10 U.S.C. § 2466	Not more than 50 percent of depot-level maintenance and repair funds may be used for work by non-federal personnel; limits room for expanded allied participation even where outsourcing is otherwise possible.
ITAR	Controls defense articles, technical data, and defense services; can delay allied cooperation through licensing and approval requirements.
EAR	Controls the export, reexport, and transfer of U.S.-origin dual-use items, software, and technology; can impose additional licensing and compliance burdens even where ITAR does not directly apply, adding friction to cross-border sustainment and industrial cooperation.

Second, U.S. domestic statutes designed to preserve the national industrial base remain a primary structural constraint on the expansion of naval cooperation. 10 U.S.C. § 8680 restricts overseas maintenance for vessels homeported in the United States or Guam, while 10 U.S.C. § 2466 (the "50:50 Rule") mandates that at least half of depot-level maintenance funding be expended on federal personnel. These regulations keep allied MRO cooperation in a supplementary role, preventing it from evolving into a large-scale, routine cooperative structure even as the United States struggles with its own maintenance backlogs.

Third, while the impact of the ITAR has been manageable for auxiliary-ship MRO—particularly the hull-centric work performed to date—it represents a significant bottleneck as cooperation extends to combatant warships. The maintenance of warships involves highly sensitive technical data, communication standards, and operational parameters, all of which are strictly controlled; consequently, even routine military-industry communications may necessitate additional ITAR exemptions.[9] As a result, the transfer of technical data, the access and on-site participation of foreign personnel, and the establishment of approval procedures and internal compliance systems all constrain the pace and scope of cooperation. Combatant-ship MRO may also entail export

6) USINDOPACOM Regional Sustainment Framework (RSF), presentation, 2025 PSM Workshop Day 1, August 5, 2025, Joint Base Andrews, MD.

7) U.S. Congressional Budget Office, Maintenance Delays for Conventional Navy Ships, December 2025.

8) U.S. Government Accountability Office, Military Readiness: DOD Should Take Further Actions to Address Challenges Across the Air, Sea, Ground, and Space Domains, GAO-26-108888, March 4, 2026.

9) Henry Carroll and Cynthia R. Cook, "Identifying Pathways for U.S. Shipbuilding Cooperation with Northeast Asian Allies."

controls such as the Export Administration Regulations (EAR) in parallel with ITAR for related components and technologies, increasing the regulatory burden as the level of cooperation rises. While the United States has implemented partial relaxations of export controls for its AUKUS partners—Australia and the United Kingdom—no comparable institutional exception has yet been formalized for South Korea.[10]

5. Policy Direction: From Ad Hoc to Structured Cooperation

Taken together, the foregoing analysis suggests that future policy should focus on transforming ad hoc cooperation into structured and sustainable partnership.

First, MRO should be strategically positioned as a concrete instrument for ROK-U.S. alliance modernization. If MRO is treated merely as a commercial project, it will be difficult to generate the political momentum needed to overcome regulatory, budgetary, and supply-chain challenges. Conversely, if it is framed as strategic cooperation that enhances forward readiness and strengthens both sustainment capacity and the alliance's combined response capability, then the subsequent agenda—constructing consultative mechanisms, easing and aligning regulation, and securing stable demand signals—can all be pursued with political backing under the single heading of alliance modernization.

Second, a standing consultative framework connecting government, military, and industry should be established on that foundation. Even when a shared security and policy perspective exists, without a structured channel to translate it into implementation, cooperation will revert to a reliance on individual contracts. Only a multi-tier consultative structure that brings together the Korean government, military, and shipbuilding industry with their U.S. counterparts can address this agenda in parallel rather than in a fragmented fashion. Because MRO simultaneously involves acquisition, operations, and sustainment, the absence of such a framework will lead to inevitably structural delays in coordination between the two governments and across agencies.

Third, the consultative framework should be utilized to enhance the coherence of regulations and procedures. Now that the possibility of combatant-ship MRO cooperation has been raised at the SCM, what is required is not a declaratory consensus but concrete structural arrangements. As a first step, ITAR and related export controls should be reviewed by maintenance type, and more rational operating procedures should be developed. As noted above, combatant-ship maintenance carries a much higher likelihood of access to sensitive technical data, standards, and information than auxiliary-ship maintenance, leading to greater regulatory and procedural uncertainty. What matters, therefore, is not an abstract call for the general amendment of 10 U.S.C. § 8680, 10 U.S.C. § 2466, and related statutes, but the development of practical procedures that allow Korean firms to access the data and standards they require on the shop floor and to prepare on the basis of long-term planning.

Fourth, predictable demand signals should be secured, building on regulatory alignment. Even if regulatory barriers are eased, active participation—let alone investment—from Korean industry will be difficult to expect without stable demand signals.[11] To this end, the two governments should consider measures such as earlier sharing of major maintenance plans, improved compliance rates with established plans, and bundled contracting that groups multiple vessels or maintenance periods.

Fifth, the continued accumulation of performance records and trust-building must proceed in parallel with these four measures, if a structured and sustainable ROK-U.S. cooperative framework is to be completed. The auxiliary-ship MRO currently underway serves as an important testbed for demonstrating delivery, quality, technology protection, and internal security compliance. As a track record of stable performance accumulates, the United States will increasingly view South Korea as a trusted partner, enabling MRO to be positioned as a form of strategic cooperation that strengthens the alliance's sustainment capacity.

6. Conclusion

ROK-U.S. naval vessel MRO cooperation has already commenced, and substantive achievements are accumulating. Contracts and execution since 2024 demonstrate that Korean shipyards are emerging as a viable partner in the U.S. Navy's forward sustainment network. Yet, the existing framework remains heavily contingent upon individual contracts, while volatile demand signals, regulatory and procedural barriers, and inconsistencies within U.S. domestic policy continue to impede the pace of cooperation.

The task ahead, therefore, is not simply to secure more ad hoc contracts. The central challenge is to structurally anchor the cooperation that has already begun and to place it on a foundation of predictable demand, structured contracting arrangements, coherent regulations and procedures, and a standing consultative framework. When this is achieved, MRO can be positioned not as a simple maintenance business but as a strategic area of cooperation that strengthens the logistical and sustainment capacity of the ROK-U.S. alliance and underpins future alliance modernization.

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10) Paul K. Kerr, "U.S. Arms Transfer Restrictions and AUKUS Cooperation," CRS In Focus IF12483, updated January 29, 2026; Bureau of Industry and Security, U.S. Department of Commerce, "Export Control Revisions for Australia, United Kingdom, United States (AUKUS) Enhanced Trilateral Security Partnership," Federal Register, April 19, 2024.

11) Namyeon Kwon, "Don't Miss the Boat: Considerations for U.S.-South Korea Maritime Cooperation," CSIS Commentary, June 12, 2025.