

Fact Sheet // USTR Proposal

Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance

What has the USTR proposed?

The Office of the United States Trade Representative (USTR) has proposed multiple recommendations, including a per port entry fee of up to \$1.5M on Chinese-built vessels, and up to \$1M per port entry fee on any vessel (Chinese built, or non-Chinese-built) to an operator that has a Chinese-built vessel in their fleet or orderbook. USTR also proposes a restriction on the ocean transportation of all U.S. exports, specifically the proposal would limit all US exports to a very small number of U.S.-flag/U.S.-built vessels.

Why is USTR making these proposals?

These proposals stem from a Section 301 investigation initiated in April 2024 following a petition by five unions. The investigation concluded that China's state subsidies and policies have enabled it to capture over 50% of the global shipbuilding market.

What does World Shipping Council say?

"The USTR's proposed port fees could add \$600–\$800 USD per container—which would double the cost of shipping U.S. exports."

"Container vessels servicing the U.S. typically call at 3-4 U.S. ports on each trip. Per port call fees of \$1-3.5M would add millions in costs to each voyage, resulting in fewer U.S. port calls, especially to small and medium sized ports."

"USTR's proposed fees apply to vessels already built and serving the U.S. trade or under construction, which would not disincentivize current shipbuilding practices."

"98% of ships that call on U.S. ports could be affected by USTR's proposals."

"Policymakers must reconsider these damaging proposals and seek alternative solutions that support American industries." – WSC President & CEO Joe Kramek said.

Key Impacts:

- Fees of \$1M-\$3.5M USD *per port call*. The fees will result in fewer port calls; particularly to medium and small ports. (A container vessel servicing the U.S. typically stops at 3-4 U.S. ports on each trip.)
- Fees could add \$600–\$800 USD per container (TEU) for goods moving in and out of the U.S., hitting farmers particularly hard.
- 98% of all U.S. port calls could be subject to fees under these proposals because these fees apply not only to Chinese-built ships but also to any operator with a Chinese-built vessel in its fleet or on order.
- These fees amount to an additional tax on American consumers of up to \$30B USD annually.
- The cost to ship U.S. exports could double.
- \$1 trillion in imports could be impacted.
- A majority of proposed fees would apply to existing vessels or vessels under construction, which would not disincentivize current shipbuilding practices.

How to Weigh in on USTR's unworkable proposal:

- March 10, 2025: Submit requests to appear at a hearing, along with a summary of the testimony.
- March 24, 2025: To be assured of consideration, submit written comments by this date.
- March 24, 2025: Hearing.

Submit documents in response to the USTRs proposals, including written comments, and requests to appear through USTR's electronic portal: <https://comments.ustr.gov/s/>. The docket number for written comments and rebuttal comments is USTR–2025–0002. The docket number for requests to appear is USTR–2025–0003.