

## Alert | International Trade



March 2025

### USTR Set to Impose Fees on Chinese Ships

#### Go-To Guide

- The USTR has proposed significant fees, restrictions, and incentives to restore a maritime industry that China dominated for nearly 30 years.
- The public comment period opened Feb. 21, 2025, with comments due by March 24, 2025.

To address concerns about China’s impact on U.S. maritime industries, the Office of the United States Trade Representative (USTR) has laid out multiple proactive measures designed to promote fair competition and reduce dependence on China’s dominance in these sectors.

#### Section 301 Investigation and the USTR’s Proposed Action

The USTR **announced** a request for public comment and a public hearing for its proposed trade actions in response to the Section 301 investigation, which exposed China’s targeting of the maritime, logistics, and shipbuilding sectors. Once implemented, the additional fees on Chinese ships or Chinese-operated ships entering U.S. ports will further increase costs on imported merchandise, in addition to the supplemental tariffs recently imposed by the Trump administration.

In March 2024, five labor unions filed a petition of Section 301 of the Trade Act of 1974, asserting that China’s policies and practices in these sectors are unfair, unreasonable, and harmful to U.S. commerce. USTR’s investigation revealed that, for nearly 30 years, China has employed market manipulation

through industrial planning and policies for the purpose of global domination. For instance, China's share of the shipbuilding market grew from less than 5% in 1999 to over 50% in 2023. As of today, China controls 95% of shipping container production and 86% of intermodal chassis. U.S. businesses have suffered a loss of competition and increased economic risks as a result of China's actions.

In response, the USTR proposes fees on Chinese-operated and Chinese-built vessels visiting U.S. ports, up to \$1,500,000, to curb China's dominance and restore fair competition. This includes service fees for Chinese maritime transport operators, usage of Chinese-built vessels, and maritime transport operators with prospective orders for Chinese-built vessels. In addition to the fees, the USTR proposed the following:

- Requirements for U.S. goods to be increasingly transported on U.S.-built vessels.
- Restricted access on China's National Transportation and Logistics Public Information Platform of U.S. shipping data.
- Potential negotiations with allied countries to counter China's policies and reduce reliance on Chinese-dominated maritime sectors.

### **Request for Public Comment**

A public hearing will be conducted on Thursday, May 29, 2025. Requests to appear at the hearing must be submitted by Monday, March 10, 2025.

The USTR is currently soliciting public comments that must be submitted by Monday, March 24, 2025. There will be a specific focus on the extent of China's burden on U.S. commerce. Details, including the Section 301 investigation, can be accessed through the USTR's website.

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