**Chamber of Shipping of America**

**Analysis**

**Proposed Action in Section 301 Investigation of China’s Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance**

**Notice of Modification and Proposed Modification of Section 301 Action**

**(prepublication text available at** [**https://ustr.gov/about/policy-offices/press-office/press-releases/2025/october/ustr-modifies-certain-aspects-section-301-ships-action-and-proposes-further-modifications-action**](https://ustr.gov/about/policy-offices/press-office/press-releases/2025/october/ustr-modifies-certain-aspects-section-301-ships-action-and-proposes-further-modifications-action) **)**

**COMMENTS DUE: November 12, 2025**

**HEARING SCHEDULED: No hearing scheduled**

**SUMMARY**

On October 10, 2025, the USTR h (4 days before the implementation date!) has again published proposed modifications to its remedial action on the Section 301 decision, the 3rd set of changes proposed since the original proposal was published in early 2025. In this new proposal, modifications to certain annexes are proposed and some of the many requests in comments to the docket for clarification have been addressed. Comments must be submitted to the docket by November 12, 2025.

Note: The term “targeted coverage” general means a vessel fitting certain criteria are not subject ot port fees e.g. exempt.

For purposes of reference, the original and subsequent proposals contained 5 annexes as follows:

Annex I – Chinese owned or operated vessels

Annex II – Chinese built vessels

Annex III – Vehicle carriers

Annex IV – LNG carriers

Annex V – STS Cranes and Other Cargo Handling Equipment

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Categorization of vessel types are based on International Classification of Ships by Type (ICST) codes.

**Proposed modifications include:**

Annex I – adds an exemption for certain ethane and liquefied petroleum gas (LPG) carriers when the vessel is ordered before April 17, 2025 and is in service and entered into a long-term time charter agreement (20 years or more) prior to December 31, 2027 (vessel deemed to be owned and operated by the charterer)

Annex II – removes the previously proposed exemption for transport by Chinese built “Lakers” vessels and replaces the exemption language to read “vessels calling at a US Great Lakes port” where the vessel is loading cargo destined for a port outside the US, Canada or Mexico or offloading cargo loaded at a port outside the US, Canada or Mexico.

Annex III – changing the basis for calculating ports fees for foreign built vehicle carriers from a Car Equivalent Unit (CEU) to net tonnage and increasing the previously proposed rate of $14 per net ton to $46 per net ton effective October 14, 2025.

Annex III – exempting vehicle carriers operating under the Maritime Security Program (MSP) and US government owned vessels from the port fee. This exemption will expire unless renewed on April 18, 2029.

Annex III – exempts smaller US flagged vessels (up to 10000 DWT) which support certain short-sea US exports. This exemption would expire on April 18, 2029 unless renewed.

Annex IV – elimination of the previous provisions which would have allowed the USTR to suspend export licenses for LNG shipments if the carriage restrictions (increasing % over time carriage requirement on US flag LNG carriers).

Annex V – imposing additional 100% tariffs on specified ship to shore cranes and cargo handling equipment (intermodal chassis and parts) where the equipment is manufactured using components of Chinese origin or manufactured anywhere in the world by a company owned, controlled or substantially influenced by a Chinese national. The USTR has decided to not impose additional duties on intermodal shipping containers.

Annex V – imposes additional tariffs of up to 150% on other cargo handling equipment manufactured or assembled in China.

**Proposed clarifications (“ministerial clarifications”) include:**

Annex I, II and III – clarifying that the use of the term “string” means a “string of port calls”.

Annex I, II and III – clarifying that a vessel that only transits the Panama Canal (including receiving bunkers or conducting crew changes) is exempt from port fees e.g. is not subject to entry requirements from a foreign port. Port fees would be assessed if the vessel loaded/discharged cargo or passengers during the canal transit.

Annex II – clarifies that “vessels arriving empty or in ballast” applies only when the vessel does not have any cargo or passengers on board.

Annex II – container vessels with a capacity of 4000 twenty-foot equivalent units (TEUs) or less are exempt.

Annex II – bulk carriers with a capacity of 80000 DWT or less are exempt.

Annex II – any other vessel types with a capacity of 55000 DWT or less are exempt.

Annex II – the exemption for vessels on a voyage less than 2000 nautical miles is assessed based on the distance actually traveled from the furthest foreign port of call. Note example showing a Chinese built containership on voyage originating in Singapore with later calls in Mexico, Long Beach CA, Oakland CA and returning to Singapore where the assessment is based on the furthest foreign port of call e.g. Singapore.

Annex II – exemption for bulk carriers with a capacity of 80000 DWT or less applies to both liquid bulk and dry bulk vessels.

Annex II – the exemption for “specialized or special purpose-built vessels for the transport of chemical substances in bulk liquid forms” applies to chemical tankers.

Annex III – the term “vehicle carrier” is defined as a vessel designed self-loading or self-discharge for wheeled or tracked cargo and includes vehicle carriers, ro-ro passenger vessels, ro-ro container vessels or “other” ro-ro cargo vessels.

**Deferred port fee payments for certain operators under Annexes I or III:**

For vessels subject to changes proposed in this document (Other Liquified Gas Carriers, LPG Carriers, Vehicle Carriers, Ro-Ro Passenger Vessels, Other Ro-Ro Cargo Vessels and Ro-Ro Container Vessels), payment of port fees may be deferred to December 10, 2025, pending final decision on these new modifications.

**Comments are specifically requested on the following proposals:**

* Annex I: Addition of an exemption for certain ethane and liquified petroleum gas (LPG) carriers under long-term charter.
* Annex II: Removal of the exemption for vessels principally identified as “Lakers Vessels” on CBP Form 1300.
* Annex III: Addition of an exemption for U.S.-flagged vessels of up to 10,000 DWT. This exemption would expire, unless renewed, on 18 April 2029.
* Addition of Annex V.B which would impose additional tariffs of up to 150% on other maritime cargo handling equipment from China, including rubber tire gantry cranes, rail mounted gantry cranes, automatic staking cranes, reach stackers, straddle carriers, terminal tractors, top handlers, and components of these machines.

Authors Note: It is expected that comments on additional areas, particularly clarifications we have previously requested in prior comments to the docket should also be raised as well as the need for USTR to publish a final version of the decision covering all 5 annexes.

 **GENERAL COMMENTS ON PROPOSALS (many repeated from prior summaries)**

* The proposals if adopted would severely disrupt the maritime supply chain in US ports as a large number of Chinese built vessels service US ports.
* Port fees/levies if imposed on any class or registry of vessel would significantly increase transportation costs for vessels trading to the US with the added cost being passed along to US importers/exporters, charter party rates (for bulk shipments), higher freight rates, all of which would ultimately be borne by the US consumer.
* Port fees/levies should not be imposed on a Chinese built vessel under non-Chinese flag and owner/operator already in operation or contracted for in a Chinese shipyard which will be flagged under a non-Chinese registry and owned/operated by a non-Chinese entity.
* (Fall back on Chinese built vessels) If port fees/levies were to be imposed on Chinese built vessels which are or will be flagged under a non-Chinese registry and owned/operated by a non-Chinese entity, equity suggests that this requirement should be imposed after a date certain in the future beyond the dates for current shipyard contracts.
* The target for these remedies/penalties (port fees) is on China and its shipping fleet and shipbuildling facilities. Assessing port fees/levies on non-Chinese entities with no nexus with China should not be supported.

**PROPOSED CSA POSITION**

* Service fee on Chinese Maritime Transport Operations. DO NOT SUPPORT OR OPPOSE
* Service Fee on Maritime Transport Operators with Fleets Comprised of Chinese Built Vessels/Service Fee on Maritime Transport Operators with Prospective Orders for Chinese Vessels. STRONGLY OPPOSE; if implemented, should include grandfathering clause which exempts existing vessels in operation and vessels for which shipbuilding contract has been agreed providing vessels are/will be non-Chinese flag and non-Chinese owner/operator.
* Annex I: Addition of an exemption for certain ethane and liquified petroleum gas (LPG) carriers under long-term charter. SUPPORT but question 20 year minimum charter term; is this common practice today?
* Annex II: Removal of the exemption for vessels principally identified as “Lakers Vessels” on CBP Form 1300, OPPOSE, check with Lake Carriers on their perspective
* Annex III (in general) OPPOSE inclusion of Annex III on vehicle carriers as no nexus to China and too broad application to any foreign built vehicle carrier
* Annex III: Addition of an exemption for US flagged vessels of up to 10000 DWT. This exemption would expire, unless renewed, on 18 April 2029. SUPPORT
* Addition of Annex V.B which would impose additional tariffs of up to 150% on other maritime cargo handling equipment from China, including rubber tire gantry cranes, rail mounted gantry cranes, automatic staking cranes, reach stackers, straddle carriers, terminal tractors, top handlers, and components of these machines. DO NOT SUPPORT OR OPPOSE

**Prepared by Kathy Metcalf**

**October 12, 2025**