

MONTHLY REPORT for ICS**October 2025**

NOTE TO THE READER: Reference to the Federal Register may be found at <http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>.

References to legislation may be found at <https://www.congress.gov> at the center of the page.

IMO MEPC ES 2 Outcome

CSA provided the following recap of the IMO MEPC ES 2 meeting held from 14 to 17 October 2025. Vote counts at the end of this section reflect CSA's virtual observations during vote for adjournment.

- Base amendment text prepared by Secretary General reflecting MEPC 83 April 2025 agreement
- Supplement amendment text prepared by Secretary General consolidating proposed amendments submitted to MEPC ES 2
- Goal was to finalize all amendment text for agreement at MEPC ES 2 via Drafting Group and Working Group
- Immediately those opposing progress began to bring up procedural issues to stall the process
- Three blocks of member states (1) agree as is and add missing elements after adoption (2) agree in principle but will not agree until missing elements are added before adoption (3) oppose any progress or adoption
- Secretary General submitted future work plan to address missing elements assuming adoption at MEPC ES 2 which included 13 work streams addressing (1) guidelines for the GHG Fuel Intensity (GFI) and GFI compliance approaches (2) guidelines related to ZNZ emissions technologies, fuels and other energy sources (3) IMO GFI registry (4) further development of the Life Cycle Analysis (LCA) including amendments to the 2024 guidelines, sustainable fuels certification schemes and development of default GHG emissions factors (5) IMO Net-Zero Fund including collection, administration and disbursement (6) further development of the IMO NZF including pricing mechanisms (7) amendments to existing guidelines for implementation of the NZF (8) food security (9) further development of the IMO energy efficiency framework including annual analysis and aggregated reporting (10) development of a regulatory framework for the use of onboard carbon capture and storage (OCCS) (11) measurement and verification of non-CO2 GHG emissions (12) 5th IMO GHG study and (13) review of the 2023 IMO GHG strategy and development of the 2028 IMO GHG strategy
- First blocker was opposing adoption of the agenda based on critical issues which had not been addressed in the base and supplemental text including issues relating to food security and need for comprehensive

- impacts assessment
- Second blocker was to propose adoption by explicit acceptance (versus the usual tacit acceptance process)
 - Did agree to create (in principle) a new subcommittee on the Reduction of GHGs which would report to both MEPC and MSC with timeline for creation and work plan to be determined based on adoption date of full amendment text
 - Drafting/Working Group was released for report back to plenary
 - Opponents to progress refused to review Drafting Group report until the Working Group report was finalized resulting in further delays to the last day
 - On final day, proposal to adjourn the meeting for 1 year
 - Floor vote resulted in adoption of this delay proposal for 1 year with 57 supporting delay, 49 opposing delay and 21 abstentions (including Panama, Greece, Malta, Cyprus, and others previously supporting adoption at this meeting)

Member States supporting movement forward and adoption at MEPC ES 2 (supporting adoption of the agenda and tacit amendment process)

Belgium
Brazil
Canada
Czechia
Cook Islands
Croatia
Cyprus
Denmark
Estonia
Fiji
Finland
France
Germany
Iceland
Indonesia
Ireland
Kenya
Kiribati
Malawi
Malaysia
Monaco
Namibia
Netherlands
Norway
Palau
Papua New Guinea
Poland
Portugal



Romania
Samoa
Senegal
Seychelles
Slovenia
Solomon Islands
South Africa
Spain
Sweden
Tonga
Tuvalu
Uganda
United Kingdom
Vanuatu

Member States opposing movement forward and adoption at MEPC ES 2
(opposing adoption of the agenda and/or supporting explicit amendment
process and/or supporting adjournment)

Algeria
Argentina
Bahamas
Bahrain
China
Egypt
India
Iraq
Iran
Jordan
Kuwait
Liberia
Libya
Marshall Islands
Morocco
Nigeria
Oman
Pakistan
Panama
Paraguay
Qatar
Russian Federation
Saudi Arabia
Sieria Leone
Somalia
Tunisia
Turkiye
UAE
US



Venezuela
Yemen

**Impact of recent US China Negotiations on USTR 301 Port Fees and
Countervailing Chinese Port Fees**

Author's Note: The two sections following this section on the USTR 4th Round Proposal and the Chinese imposed port fees reflect the state of play for each initiative prior to the announced 1 year suspension of both programs in late October. It is expected that the text of the current programs will remain as legal requirements subject to the announced 1 year suspension and may or may not reflect the two initiatives should the programs be reinstated at the end of the 1 year period. A copy of the White House Fact Sheet may be viewed at the link below.

<https://www.whitehouse.gov/fact-sheets/2025/11/fact-sheet-president-donald-j-trump-strikes-deal-on-economic-and-trade-relations-with-china/>

In late October, Presidents Donald Trump and President Xi Jinping jointly announced that an agreement was reached to suspend the US and Chinese port fee assessments for a one year period commencing on November 10, 2025.

Specifically, the texts referencing the suspensions are as follows:

Chinese Actions: "China will remove measures it took in retaliation for the US's announcement of a Section 301 investigation on China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance, and remove sanctions imposed on various shipping entities."

American Actions: "The United States will suspend for one year, starting on November 10, 2025, implementation of the responsive actions taken pursuant to the Section 301 investigation on China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance. In the meantime, the United States will negotiate with China pursuant to Section 301 while continuing its historic cooperation with the Republic of Korea and Japan on revitalizing American shipbuilding."

CSA welcomes this development but notes the following comments:

- The statement is unclear on whether the one year suspension applies to all 5 of the USTR annexes or just specific annexes. From our review and the review of others of the text above, it appears that the 1 year suspension would apply to all 5 annexes given the use of the term "implementation of the responsive actions", suggesting that all responsive actions proposed would be covered under the 1 year suspension.

- As noted in the section below regarding the 4th round proposal and request for comments, unless otherwise noted by the USTR, it can be assumed that this proposal is still “live” and comments should be filed with the docket by the November 10, 2025 deadline.
- With the 4 sets of proposals made since January, we are hopeful that a number of the much needed clarifications can be resolved over the next year such that if the suspension expires in November 2026, the industry will be fully equipped to understand the requirements.
- CSA has received a number of inquiries on whether port fees paid from the October 14th implementation date to November 10th start of the suspension will be refunded. While we are not optimistic, vessels which have paid port fees during this period should contact their local CBP and/or local Chinese collection agencies to request a refund. The worst result will be a denial of the refund request, but it would be prudent to request in the unlikely event that a refund process could be established.

USTR – Section 301 –4th Round Proposal and Request for Comments

www.govinfo.gov/content/pkg/FR-2025-10-16/pdf/2025-19568.pdf

On October 10, 2025, the USTR (4 days before the implementation date!) 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 10, 2025.

Note: The term “targeted coverage” generally means a vessel fitting certain criteria are not subject to 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

Categorization of vessel types is 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 not to 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 Proposal (many repeated from prior comments)

- Categorization of vessel types is based on International Classification of Ships by Type (ICST) codes. Use of the ICST code is not a common practice for vessel classification purposes in the commercial shipping industry and in fact is not found on any existing vessel documentation from flag states or classification societies.
- Due to the lack of familiarity with the ICST codes and the fact that no comprehensive list is available on the internet, USTR should publish all ICST codes applicable to the maritime industry and provide guidance on how it is used, who is responsible for assigning an appropriate code and how determinations for special cases e.g. multi-purpose vessels are made.
- 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 shipbuilding facilities. Assessing port fees/levies on non-Chinese entities with no nexus with China should not be supported.

Proposed CSA Positions

- 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 suggest minimum charter term be reduced from 20 years to 15 years to reflect common practices
- Annex II: Removal of the exemption for vessels principally identified as "Lakers Vessels" on CBP Form 1300. NO POSITION
- 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 – 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. OPPOSE
- 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. SUPPORT
- 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. 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. NO POSITION

Chinese Port Fees

On October 10, 2025, China announced that it will impose port fees on vessels with US connections, certainly a response to the US port fees which began being imposed on US port calls on October 14, 2025 to Chinese owned/operated vessels, Chinese built vessels and tariffs on STS cranes and other cargo handling equipment of Chinese origin. The rates imposed by this new Chinese initiative are almost equivalent to the US port fees which will be imposed by the US, clearly a retributive action in response to the USTR port fee program. The fees will be imposed on (1) vessels owned by US entities (2) vessels operated by US entities (3) vessels owned or operated by entities in which US entities hold 25% or more of the equity/voting rights or board seats (4) vessels flying the US flag and (5) vessels built in the US. Provisions similar to the USTR program regarding collection only on the first call (versus at each port in a string) and limitations on collections per vessel to no more than 5 times a year further support this as the Chinese response to the USTR program.

U.S. Maritime Alerts and Advisory

[2025-012-Red Sea, Bab el Mandeb Strait, Gulf of Aden, Arabian Sea, Persian Gulf, and Somali Basin-Houthi Attacks on Commercial Vessels](#)
