

MONTHLY REPORT for ICS

August 2026

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

November 9 is quickly approaching, and we still have no word from the Administration or USTR on the future of the suspended Section 301 port fees on Chinese-linked vessels. [CSA sent this letter to Ambassador Greer](#) on July 13 and followed up again two weeks ago; neither has drawn a formal response.

As members will recall from last year, USTR remains extremely tight-lipped and continues to show little appetite for engagement on this issue. As you know well, the main reason is the broader trade relationship being negotiated at the Administration's highest levels, particularly the direct engagement between President Trump and President Xi Jinping. USTR has largely been in a responsive, reactive posture relative to those discussions rather than driving the process itself. That dynamic shows no sign of changing: Trump and Xi met in Beijing in May, and the President has indicated he expects Xi to visit Washington around September 24, tied to the UN General Assembly. It has been reported that Washington is preparing a new 7.5 percent tariff on Chinese goods tied to industrial overcapacity, timed to take effect ahead of that meeting which is another sign that the port fee question is

being managed as one piece of a much larger, fast-moving negotiation rather than decided on its own merits.

We have consistently reminded members, industry, and regulators that this suspension could end at any time, even before November 9, given the nature of the underlying agreement. CSA's advocacy on this issue has not stopped. We are not alone in pressing USTR for clarity: Senators Elizabeth Warren and Mark Kelly sent their own letter to Ambassador Greer in June demanding to know the Administration's intentions, and maritime labor unions have publicly pushed for the fees to be reinstated, arguing they are essential to rebuilding U.S. shipbuilding. That pressure from the other direction is part of why this remains such an unpredictable process.

This landscape has produced a flurry of rumors in Washington and in the press about what will happen on November 9. We have heard as many people confidently predict the suspension will be allowed to lapse as we have heard predict it will be extended. At this point, no one outside the Administration knows which way this will go.

We did receive the following written reply from USTR in response to our latest outreach, *"At this time we do not have anything new to share on suspended port fees with respect to the Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance. We are happy to stay in touch with future requests."*

As you recall, the fees currently under suspension are substantial: \$50 per net ton on Chinese-owned vessels and \$18 per net ton on Chinese-built vessels (with additional charges under Annex III for non-U.S.-built car carriers), first imposed in October 2025 before both governments agreed to a one-year mutual suspension running from November 10, 2025 through November 9, 2026 as part of the broader Trump-Xi trade truce. China's mirror-image fees on U.S.-linked vessels are suspended on the same timeline. Absent an extension, both sets of fees resume automatically on November 10, 2026.

CSA will continue to push USTR for real engagement before the deadline, and we will update members immediately if we learn anything from USTR, from the Hill, or from the broader Trump-Xi discussions.

Jones Act Waiver Extension

On August 10, the Administration extended the Jones Act waiver for an additional 90 days, through mid-November. The extension does narrow the waiver in ways CSA and others in the industry have been pressing for: blanket exemptions are replaced by case-by-case review of individual voyages, the Department of War must now consult with MARAD on the availability of Jones Act-qualified vessels, and the range of covered commodities has been reduced. It is worth noting that the IRS has also [updated its website](#) to clarify that income of a foreign corporation from the operation between U.S. ports under the Jones Act waiver is not eligible for the gross income exclusion.

Those are meaningful changes, and we are grateful to those in the Administration who worked to secure them. But the waiver should not have been extended at all. The Jones Act will now have been suspended for more than 240 days — the longest such suspension in the law's history — with roughly 208 exemptions granted through August 3 alone.

[CSA sent letters](#) to the Secretary of Homeland Security, the Secretary of War, the Maritime Administrator, the Secretary of Transportation, and the Director of OMB. Each acknowledges the improvements, registers our disappointment with the extension itself, and presses that agency on its specific role — rigorous adjudication at DHS, a substantive national defense finding at DoW, thorough vessel-availability assessments and voyage-report transparency at MARAD, consistency with the Maritime Action Plan at DOT, and documented justification at OMB. All five ask that the waiver be allowed to lapse in November without further extension.

Over the next 90 days we will be watching how the new case-by-case process is applied in practice and will keep you updated. If your company encounters a situation where a waiver was granted despite available U.S.-flag capacity, please let us know — that information is valuable as we continue these conversations.

Net Zero Framework Summary Ahead of ISWG-GHG 22

Following the discussions at MEPC 84, where consensus on the original NZF text was not reached, several alternative proposals have been put forward. The ISWG-GHG 22 meetings scheduled for September 1–4, 2026, will be the next opportunity for IMO Member States to discuss these key issues. To help navigate these

developments, please find the link to an [analysis that summarizes IMO Member States' NZF Positions](#).

This briefing document has been prepared specifically for CSA members and includes:

- **A Side-by-Side Comparison:** An overview of the four formal draft NZF proposals currently under consideration.
- **Member State & Industry Positions:** A summary of where key nations, voting blocs, and industry groups currently stand on the framework.
- **IMarEST Impact Analysis:** A breakdown of independent modeling that illustrates the projected costs, revenue generation, and emissions impacts of each proposed policy architecture.
- **Outlook & Key Dates:** A timeline of the crucial upcoming meetings leading to MEPC 85 in late 2026.

Port Access Route Study (PARS) for the approaches to Galveston Bay, Sabine Pass, and Calcasieu Pass

[Linked](#) is the U.S. Coast Guard Heartland District's Final Report addressing the Port Access Route Study (PARS) for the approaches to Galveston Bay and Sabine Pass, Texas, and Calcasieu Pass, Louisiana (TX/LAPARS).

The study notes that the safety fairways are adequate but cannot be widened due to existing infrastructure. Additionally, the study proposes three new anchorages to accommodate vessel traffic growth and support port expansion:

- **Sabine Bank Approach (East) Anchorage:** 1.3 miles wide, 7 miles long, and 38 miles offshore—designed for vessels with up to a 48-foot draft.
- **Sabine Bank Approach (West) Anchorage:** 1.7 miles wide, 14 miles long, and 35 miles offshore—designed for vessels with up to a 48-foot draft.
- **Calcasieu Pass Offshore East Anchorage:** 2.9 miles wide, 2 miles long, and 40 miles offshore.

These anchorages aim to facilitate vessel movement, improve safe anchoring practices, and reduce waterway congestion.

The study also addresses non-mineral energy development in the region, recommending standardized grid-pattern layouts with 1-nautical-mile spacing to support navigation safety, search and rescue operations, and commercial fishing.

To mitigate unwanted radar returns from wind turbines, the Coast Guard recommends several measures:

- Implementing supplemental watchstanders.
- Updating training to enhance radar operators' proficiency in distinguishing targets and reducing clutter.
- Leveraging the Automatic Identification System (AIS).
- Adopting solid-state radar equipment.

CARB Congressional Review Act (CRA) Resolutions

On August 6, Senator Sullivan (R-AK) and Representative Fong (R-CA-20) introduced Congressional Review Act (CRA) resolutions that seek to disapprove and invalidate the action submitted by the Environmental Protection Agency (EPA) to address engine pollution standards for Ocean-Going Vessels At-Berth. If passed by both chambers and signed by the President, the resolution would provide that EPA's authorization has no force or effect, removing the federal basis on which California enforces its 2020 At-Berth Amendments against ocean-going vessels (OGVs).

CSA has prepared an [analysis for members](#). Key points worth your attention:

- **The target is the authorization, not the state regulation.** A CRA disapproval strips EPA's federal authorization. It does not repeal Title 17 of the California Code of Regulations. CARB's rule remains on the books, and there is no indication that CARB would stop enforcing it. The likely result is a preemption dispute, not automatic relief.
- **The 2007 authorization is not targeted.** S.J.Res. 209 and H.J.Res. 210 name only the 2023 notice covering the 2020 Amendments. EPA's separate 2011 authorization of the original 2007 At-Berth rule (76 Fed. Reg. 77515) remains untouched. Container, reefer, and cruise obligations at the original six ports have an independent federal footing; the ro-ro and tanker expansion does not.

- **The January 1, 2027 tanker deadline is the critical commercial question.** Tankers calling at regulated terminals outside Los Angeles and Long Beach come into scope on that date — roughly five months after the resolutions were introduced, and at or after the point at which the CRA path resolves. Members should not treat the resolutions as a compliance plan and should continue preparing on the assumption that the deadline arrives as scheduled.

The resolutions face an uncertain timeline and a contested legal foundation. Members should plan for continued compliance on the existing CARB timeline while engaging on the substance — particularly on tanker feasibility and lead time — through whichever channel best fits their risk posture.

The [full analysis is available here](#).

USCG Streamlined Inspection Program (SIP) NVIC 02-99 Draft Policy Comment Period

The U.S. Coast Guard has published a [Federal Register Request for Comments](#) regarding a [draft update to NVIC 02-99, Change 1](#) (Navigation and Vessel Inspection Circular), which modernizes guidance on the Streamlined Inspection Program (SIP).

The draft NVIC represents a significant update to SIP policies and reflects technological advances and operational changes in the maritime industry since the original guidance was published. Key areas addressed in this draft update include:

- Integration of Tank Barge Program requirements into broader SIP guidance
- Expansion of regulatory relief through risk-based inspection models
- Broadening of acceptable digital compliance formats and systems
- Integration of third-party audit results into compliance verification
- Increased deficiency management flexibility and self-reporting protections
- Temporary repair autonomy for minor, non-structural hull repairs
- Standardized enforcement procedures across all enforcement levels

CSA is preparing a formal response to represent the interests of our member companies. To ensure our submission reflects your perspective, we request your

input. If your company is preparing its own response, we kindly ask that you share your positions with us to help inform a unified and robust set of recommendations.

The Coast Guard's comment deadline is September 23, 2026. To allow sufficient time for us to compile and review all feedback, please provide your input to medwards@csashipping.org **no later than September 16, 2026**.

CSA Comments - Availability of Retrospective Analysis of 2012 Ballast Water Discharge Standards (Notice of Availability and request for comments FR June 11, 2026 – pgs. 35491-35492)

As briefed in our June 2026 report, CSA submitted timely comments to the docket on the above referenced document. Key points made in our comments are as follows:

1. CSA appreciates the work done by the USCG to produce this retrospective analysis; however, we are not clear on why this analysis was done given changes in the ballast water regulations in the 14 years since the 2012 analysis was completed. We can find no statutory based reason that required this analysis and believe the funding and manhours spent on this analysis would have been better applied to timely development of the USCG regulations as required by VIDA which must be finalized no later than October 2026. To date, the USCG has not even published its notice of proposed rulemaking which suggests to us that the VIDA imposed deadline of October 2026 will not be met, or if met will require a rushed and short comment period for an issue that is expected to generate significant comments to the docket requiring full review by the USCG.
2. The analysis, while helpful to some degree on looking at the past, would have been more helpful with a forward-looking view toward the current regulations and those proposed in the now finalized EPA VIDA regulations including EPA's cost/benefit analysis of the EPA VIDA regulations.
3. A number of references to data sets utilized in the analysis do not fully utilize the data collected and experience learned in the 14 years since the 2012 standards were issued. For example:

- The CAB International Invasive Species Compendium (CABI) and National Estuarine and Marine Exotic Species Information System (NEMESIS) were used but missing from these references is data contained in the Great Lakes Aquatic Nonindigenous Species Information System (GLANSIS) which, if used, would have provided a clearer and broader understanding of the data.
 - The use of USCG extension requests information, described by the USCG as a “unique insight into the price of ballast water management systems, as well as the type and capacity of systems being equipped by the vessel population”, were referenced to only 64 extension requests, when thousands of extension applications were received. We believe analysis of all extension requests and reasons behind these requests would have provided a more comprehensive picture of the problems encountered by shipowners early in the retrofitting, installation and post-installation challenges.
 - References to the stakeholder outreach sources have similar limitations in that 20 interviews were listed as sources, but little information and details of these interviews are provided in the analysis nor what conclusions were reached based on these interviews.
 - USCG referenced the Marine Information for Safety and Law Enforcement (MISLE) and the National Ballast Information Clearinghouse (NBIC) as data sources, but the analysis findings suggest only that MISLE data was used for vessel population estimates. While we do not find issues using MISLE, the NBIC data is at least as comprehensive relative to compliance issues as MISLE and should have been used as well.
4. It would have been valuable to assess the impacts data based on total vessels with a break-out for US flag vessels. US flag vessels for the most part trade entirely in waters subject to the ballast water regulations and thus 100% of their operations are subject to the US ballast water regulations. This fact carries a significant negative impact in the form of higher installation costs since only those systems holding US type approval for installation on US flag vessels, which have additional requirements related to marine engineering, electrical engineering and hazardous area installation. In addition, US flag vessels rarely travel 200 nm offshore which negatively impacts in the form of increased operational costs where a contingency plan requires proceeding offshore to conduct tank flushing and/or ballast water exchange. In both of these examples, the installation and operational costs

are significantly higher than is the case on non-U.S. flag vessels engaged in international trade to/from the US.

5. The USCG should have used more updated costs analysis as opposed to using revised costs based on the previous analysis particularly the Economic Analysis of the EPA Final Rulemaking on the VIDA National Standards of Performance (September 2024). The more recent studies/reports include updated information based on actual experiences over the past 14 years.
6. We also believe actual costs are significantly underestimated in three other areas. The first area is in the situation where installed ballast water systems do not perform as claimed in real time operations. In many of these cases, vessel owners incurred multiple off hire time incidents which were required to trouble shoot the system with the system manufacturers to achieve compliance with the discharge standards or, in the most extreme cases, required replacement of the original system with a new system. The second area is in the situation where original ballast water system manufacturers either went out of business or were purchased by another entity requiring issuance of a new type approval certificate as well as subjecting the vessel owner to challenges related to timely servicing of the ballast water management system and challenges related to timely procurement of spare parts. The third area is the situation where the vessel encounters “challenging water quality” conditions which makes compliance difficult if not impossible and requires expenditure of additional expenses to remedy the situation. Although attributable to challenging water quality, we, consistent with the comments provided by the Lake Carriers Association, believe that many of these cases is the improper definition of Treatment Rated Capacity (TRC) which results in many systems reporting lower operational flow rates during testing than what is listed on the type approval certificates, again adding to operational costs due to the need to operate at lower flow rates than expected based on the type approval certificate.
7. Finally, noting our previous suggestion that the focus of USCG’s activities should be focused on the promulgation of the USCG VIDA implementation regulations, it would be helpful for the USCG to provide regular updates on this regulatory project as this represents the future regulatory requirements for ballast water management (versus the historical analysis conducted in this analysis). Looking back in retrospect can be helpful but only if it is used within the context of future requirements.

U.S. Security Reports

[U.S. Maritime Advisory 2026-010: Piracy/Armed Robbery/Kidnapping for Ransom in the Gulf of Aden, Arabian Sea, Indian Ocean](#)

Worldwide Threat to Shipping

[WTS August 26, 2026](#)

[WTS August 19, 2026](#)

[WTS August 12, 2026](#)

[WTS August 5, 2026](#)

