International Chamber of Shipping
Shaping the Future of Shipping

International Chamber of Shipping
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7 November 2025

The Honorable Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508
USA

Dear Ambassador Greer,

RE: NOTICE OF MODIFICATION AND PROPOSED MODIFICATION OF SECTION 301 ACTION: CHINA'S TARGETING OF THE MARITIME, LOGISTICS, AND SHIPBUILDING SECTORS FOR DOMINANCE. DOCKET ID: USTR-2025-0017

I am writing on behalf of the International Chamber of Shipping (ICS), the principal global trade association representing shipowners and operators, which enjoys good relations with MARAD, the State Department, the Federal Maritime Commission and the United States Coast Guard.

ICS membership comprises national shipowners' associations in the Americas, Asia, Africa and Europe, in more than 40 countries including the Chamber of Shipping of America which represents U.S. shipowners and operators. Around 90% of global trade is transported by sea, and ICS represents over 80% of the world merchant fleet. Our member national associations' members comprise shipping companies from all sectors and trades, including dry bulk carriers (transporting iron ore, coal and grain), oil tankers, chemical tankers, gas carriers, containerships, roll-on roll-off vessels, general cargo ships, offshore service vessels, and passenger ships; all vessel types which service U.S. international trade, carrying approximately 59% of total U.S. imports/exports by value ($2.2 trillion; $746 billion of exports and $1.4 trillion imports)[1] including vital components, raw materials and minerals needed for the manufacture of U.S. goods for domestic and export markets.

[1] *International Freight Gateway*, Bureau of Transportation Statistics, U.S. Department of Transport, available at: https://data.bts.gov/stories/s/International-Freight-Gateways/4s7k-yxvu/

ICS comments on recent agreement between the U.S. and China

As outlined in ICS's recent submission to USTR (Comment ID: USTR-2025-0274-00122873), ICS welcomes the recent agreement between the U.S. and China to suspend the USTR Section 301 actions, and China's countermeasures, by one year. This is a positive development for U.S. exporters, industries and consumers, and global trade.

ICS supports the ambition to increase U.S. shipbuilding capacity and to make the United States Shipbuilding industry strong, as additional commercial tonnage strengthens the global maritime sector's efficiency and competitiveness. However, the port fees imposed by USTR on 14 October 2025, and subsequently by China as countermeasures on U.S.-linked ships, posed significant challenges and disruptions for the global shipping industry and global trade.

ICS hopes that the agreed suspension will, in due course, pursuant to negotiations, evolve into a permanent agreement between the U.S. and China. ICS strongly advocates for the need for shipping to be able to move trade freely and efficiently and remain committed to working collaboratively with all administrations and international partners to avoid any disruptions to the flow of global trade.

ICS has encouraged the government of China to engage in the OECD's Council Working Party on Shipbuilding (WP6), which aims to assist governments in reducing market-distorting factors in shipbuilding, primarily subsidies and excess capacity, to promote normal competitive conditions. We encourage the U.S. government to also engage in these discussions to constructively address and resolve issues related to market-distorting measures within the global shipbuilding market.

ICS comments on USTR modifications and proposed modifications published on 10 October 2025

ICS appreciates the USTR's consideration of our comments submitted on the public docket on 3 July 2025 (Comment ID: USTR-2025-0013), 19 May 2025 (Comment ID: USTR-2025-0008-00113037), and 19 March 2025 (Comment ID: USTR-2025-0002-00111526). ICS Secretary-General also delivered a testimony during the Section 301 Committee hearing on 24 March 2025.

Notwithstanding the above comments on the recent agreement between the U.S. and China, ICS would appreciate the USTR's consideration of our comments below, on the recent modifications and proposed modifications published within the Federal Register Notice on 10 October 2025.

As emphasised in ICS's previous submissions, penalties on Chinese built vessels, and Chinese shipowners and operators would risk severely undermining the interests of U.S. industries and consumers. **In the case of Annexes I and II, imposing retroactive fees on vessels already built will not reduce dependency on China's shipbuilding industry nor discourage future orders with Chinese shipyards.** Penalising companies that made a business decision to place an order with a Chinese shipyard prior to the release of the Section 301 investigation fails to remedy the situation that the Section 301 investigation and actions seek to address.

As also stated in ICS's previous submission dated 19 May and 3 July, **we strongly recommend that USTR remove Annex III and IV in their entirety, as they have no nexus to the Section 301 investigation** of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance, and risks increases in costs for U.S. exporters and consumers. Revitalising the U.S. shipbuilding sector requires sustained investment and will not be achieved through the imposition of sweeping penalties and fees on foreign vessels which vitally contribute to the U.S. economy and trade.

ICS's previous submissions detailed the substantial harm that the fees under Annex III could cause for U.S. exporters and consumers, as well as American jobs at port terminals and across inland logistics, processing centers, trucking and rail. Therefore, ICS is deeply concerned by the USTR's threefold *increase* in the previously proposed fees on foreign vehicle carriers from $14 USD to $46 USD per net ton, which was announced a few days before the 14 October implementation date, when certain foreign vehicle carriers were already enroute to the U.S. and unprepared to pay fees of triple the amount previously proposed.

At the increased quantum of $46 per net ton, since implementation the fees have caused significant financial and operational disruptions for some of the largest global vehicle carriers. If these fees are reinstated, they could deter these carriers from serving the U.S. market, impacting U.S. car exports, and reducing U.S. port calls by roll-on, roll-off (RoRo) carriers, which the U.S. agriculture, mining and heavy industry rely on. The fees under Annex III, which apply to all foreign vehicle carriers, risk slowing U.S. economic growth while doing little to incentivise U.S. maritime investment.

Further, companies operating unique vessels which carry both shipping containers and large wheeled equipment such as tractors, transformers for power plants and data centre machinery, face annual fees of roughly $34 million USD to serve the U.S. market if these measures are reimposed. For example, Atlantic Container Line (ACL) paid $1.4 million on the first day the fees took effect and has stated that the company may not be able to continue viably operating a business in the U.S., which would severely impact U.S.-based importers and exporters that rely on its vessels, including a major American car manufacturer. ACL is currently headquartered in the U.S. and operates a unique weekly service on the Atlantic trade lane for U.S. importers and exporters, without which, U.S. importers/exporters would need to find a more costly and infrequent charter service.

In response to the USTR's request for comments on the *proposed* modifications outlined in the Federal Register Notice, ICS offers the following constructive comments which are critical to consider and address in avoiding potentially negative impacts on U.S. competitiveness, and ensuring effective implementation, compliance, and alignment with the objectives of the responsive actions pursuant to the Section 301 investigation.

Annex I: Proposed addition of an exemption for certain ethane and liquified petroleum gas (LPG) carriers under long-term charter

While ICS supports the proposed targeted coverage provision for specialized vessels carrying ethane and LPG, we propose that the minimum term for the time charter under this new provision should be adjusted to 15 years or more, to align with common practice for charter agreements.

Annex II: Proposed removal of exemption for vessels principally identified as "Laker Vessels" on CBP Form 1300

During consultations earlier this year, it was clearly demonstrated that the original proposed fees were not suitable for smaller, specialized vessels used on short-sea routes in the Great Lakes. These routes involve frequent port calls of vessels carrying critical raw materials including salt, grain and iron ore.

The proposed removal of the Targeted Coverage Provision for vessels principally identified as "Laker Vessels" unfairly penalizes this high-frequency, low-margin model, risking a sharp increase in cost of essential raw materials and reduced availability of key cargoes critical for U.S. industries including steel, manufacturing, construction, agriculture, road safety and energy. This proposed modification also discriminates against the U.S. Great Lakes ports, versus ports along the East, West and Gulf Coasts, creating an unfair competitive environment for the U.S. Midwest and Northeast.

According to the Chamber of Marine Commerce, the proposal would put at risk $4 billion USD in economic activity, 26,000 U.S. jobs, and 30 million tonnes of cross border trade, while pushing low value bulk cargoes (iron ore, grain, cement, salt) off the water and onto rail/road or via non-U.S. ports, raising input costs for construction and manufacturing. Such fees would not be economically viable to absorb by shipping companies operating "Laker Vessels", therefore would be passed onto American importers and exporters, and would reshape supply chains to the detriment of U.S. industries and consumers.

Furthermore, the proposed modification undermines the policy objective of the USTR Section 301 actions to revitalize U.S. shipbuilding, as the targeted vessels provide a significant and steady source of revenue for U.S. shipyards by using them for regular maintenance and repairs, for example, Canadian vessels frequently undergo major work at U.S. shipyards in Wisconsin and Pennsylvania.

Therefore, ICS recommends that USTR should not proceed with the proposed modifications to Annex II Targeted Coverage section (vii), and instead simply retain Targeted Provisions (ii), (iii) and (iv) which apply to all other U.S. ports, to ensure all U.S. ports are treated fairly and equitably, and parity and competitiveness is maintained in support of North American trade resilience, future growth and economic security.

Conclusion

ICS welcomes President Trump’s initiative to increase U.S. shipbuilding capacity, which will strengthen capacity the global maritime sector’s efficiency and competitiveness.

To ensure effective and fair implementation of actions relevant to the Section 301 investigation outcomes, we would also be grateful for the USTR’s consideration of our constructive comments above.

ICS remains committed to working with USTR and the White House Shipbuilding Office to help ensure that practicable policies are developed and implemented, which can deliver on the President’s ambitious vision for U.S. shipbuilding, without harming U.S. industries and consumers.

We remain at your disposal for further clarification of the above.

Yours sincerely,

Thomas A. Kazakos

Secretary General

International Chamber of Shipping