

March 24, 2025

Ambassador Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

RE: Opposition to Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance (USTR–2025–0003).

The undersigned organizations representing a wide breadth of our nation's economy, including importers, exporters, farmers and agribusinesses, retailers, manufacturers, energy providers, wholesalers, and transportation and logistics providers, urge the Office of the U.S. Trade Representative (USTR) to refrain from imposing its proposed actions in response to the Section 301 investigation of China's targeting the maritime, logistics, and shipbuilding sectors for dominance.

We support scrutiny of China's efforts to dominate the maritime industry. However, USTR's proposed actions will not deter China's broader maritime ambitions and will instead directly hurt American businesses and consumers. Specifically, USTR's proposed fees will increase container shipping costs by at least 25% (\$600-\$800 or more), adding approximately \$30 billion in annual costs on U.S. businesses and farmers. This will lead to higher prices for U.S. consumers and undermine the competitiveness of many U.S. exports—leading to a decline in export revenues and increasing the U.S. trade deficit, contrary to the Trump Administration's America First trade goals. One recent study on the assessment of probable net economic effects of the proposed remedies found that overall, total exports and imports would decline, negatively impacting the U.S. economy at a time when the administration is striving to grow the overall economy and create jobs around the country.

Ocean carriers will respond to USTR's fees by reducing service to many U.S. ports and diverting cargo to ports in Canada or Mexico. This will reduce ocean traffic at many smaller ports, creating profound economic damage – including lost jobs – in communities where ports serve as vital economic hubs. Reduction in service will increase congestion across the country's logistics network and spur a new normal of higher costs and delays affecting both imports and exports. American consumers will suffer a lag in receiving the goods they rely on every day.

We understand USTR is proposing export requirements to support a domestic shipbuilding industry. We also support a domestic shipbuilding industry, but the export requirements outlined by USTR fail to acknowledge the realities of revitalizing a U.S. shipbuilding industry. The U.S. cannot build a vibrant shipbuilding industry from its current capacity in seven years. Holding firm to USTR's proposal would force a reduction in U.S. exports, since the capacity does not exist nor will exist under the USTR timelines. To achieve the twin goals of combatting trade deficits and reinvigorating the U.S. shipbuilding industry, we need a dedicated strategy with sustained investments, leadership, and a long-term commitment

from both the public and private sectors. We encourage the Administration to work with us to achieve its broader goals by considering alternative and more effective measures.

We share the goal of finding real remedies to address China's dominance in the maritime industry, while also revitalizing the U.S. shipbuilding industry. We strongly urge USTR to reconsider the proposed remedies which will significantly impact the millions of stakeholders who rely on efficient maritime services to move goods in and out of the United States.

Thank you for the opportunity to comment.

Sincerely,

List of Associations