US targets China ships, operators with millions of dollars in new port charges

Fees as high as \$1.5 million per call proposed by United States Trade Representative

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Sunday, February 23, 2025



Cosco container vessel at the Port of Oakland. (Photo: Port of Oakland)

In a major retaliatory move against China, the United States is proposing expensive charges that could add millions of dollars in costs for ocean container lines and other carriers calling U.S. ports.

The proposal by the office of the United States Trade Representative (USTR), published Friday in <u>the</u> <u>Federal Register</u>, sets fees as high as \$1.5 million per U.S. port call for ships built in China and \$500,000 for a vessel operator with even a single Chinese-built ship in its fleet, or on order with a China shipyard.

A charge of \$1 million per call would be assessed on China-based vessel operators including Cosco, the world's fourth-largest container line.

The plan will send tremors through the maritime supply chain serving the world's largest market, where major ocean carriers operate in a complex network of cooperation ranging from service routes to berthing arrangements and sharing of vessels. Carriers will likely pass on the expensive new fees to shippers in the form of surcharges and higher rates, who in turn will pass them on as higher prices for imported goods.

The proposal, which also includes new preference rules calling for U.S. export cargo to be transported by U.S.-flagged and crewed ships, follows the results of a USTR <u>investigation</u> in January that found

China is leveraging unfair trade practices to dominate the global ocean shipping and shipbuilding markets.

The decision to implement the charges rests with President Trump. Comments on the plan will be accepted through March 24, when the USTR has scheduled a public hearing.

About 17% of the container vessels calling U.S. ports are Chinese-made, according to analysts Linerlytica. That comes to 1.29 million of the total 28.2 million TEUs (twenty foot equivalent units) imported by the U.S. in 2024.

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