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Cosco slams US port fees as other carriers reckon with potential costs

Some early estimates on the costs of US fees assessed on Chinese-built ships put them near $300 per container, but it's still a guessing game. Photo credit: Sheila Fitzgerald / Shutterstock.com.

Michael Angell, Senior Editor | Apr 22, 2025, 4:49 PM EDT

Cosco Shipping says new fees that Chinese carriers and ships will be forced to pay for calling the US — possibly as high as $8 million to $10 million per voyage, according to one analyst — are unfair and will "distort" the ocean shipping market. That comes as other ocean carriers grapple with the impact of the fees on freight costs and how to redraw their networks to avoid them.

Cosco Shipping Corporation, the container line's parent, said in a statement Monday that the US Trade Representative (USTR) made a "discriminatory decision" in issuing new fees against China's maritime industry. It said the charges unveiled Friday against China-based ocean carriers and Chinese-built ships in all other fleets will put global supply chains at risk of higher costs and result in less-efficient service.

"We firmly oppose the [USTR's] accusations and the subsequent measures," Cosco said. "Such measures not only distort fair competition and impede the normal functioning of the global shipping industry, but also threaten its stable and sustainable development."

Barring their rescission, the fees are the USTR's final actions against China's carriers and container ships and will take effect in October.

The fees will only be charged on the first US port of call on a vessel string, unlike the per-port fee schedule in the original USTR plan. The revised per-voyage fee will be charged a maximum of five times per year on each affected vessel.

Confusion on net tonnage

While less draconian than the initial USTR proposal, Cosco and its Hong Kong subsidiary OOCL face fees that are three times higher than what would be charged to all other ocean carriers. The USTR said the goal of the fees is to "disincentivize" shippers from using China's ocean carriers.

Starting this October, China’s ocean carriers will have to pay $50 per net ton of a vessel arriving at US ports. The fee goes up $30 each year on the anniversary of the USTR’s actions, topping out at $140 in 2028.

Ocean carriers based outside of China operating Chinese-built ships will face a fee based on either net tonnage or container volume, whichever is higher. The tonnage fee for non-Chinese carriers starts at $18, escalating to $23 by April 2026 and topping out at $33 in 2028. The per-container fee starts at $120 and rises to $153 next year and $250 in 2028.

Shippers and ocean carriers told the *Journal of Commerce* that they are reviewing the USTR actions to estimate how the fees will flow down to freight costs. But until there’s more clarity from the USTR, the fees are best guesses at this point.

The fees are based on a ship’s “net tonnage,” but the USTR’s order does not include a definition of net tonnage. According to the US Coast Guard Marine Safety Center, net tonnage refers to a ship’s internal volume for cargo and is not measured in tons similar to a ship’s deadweight.

The US signed a 1969 treaty that bound it to an international convention on measuring net tonnage that is included on a ship’s documentation. However, the Coast Guard noted that there are other ways to measure net tonnage that account for different types of vessels.

Data from Sea-web, a sister product of the *Journal of Commerce* within S&P Global, shows the net tonnage of Chinese-built ships of 12,000-TEU to 15,000-TEU capacity can range anywhere from 60,000 to 85,000. Sea-web uses the 1969 international convention on net tonnage.

An executive with an independent ocean carrier told the *Journal of Commerce* that its US services might typically include Chinese-built ships of 8,500-TEU capacity and net tonnage of about 64,000. That would result in a total estimated fee of about $1.2 million, which would average out to approximately $275 to $300 per container, assuming the ship is full at 4,000 containers.

The $300 estimate “is in the range of what we are expecting,” the source said.

"But we will reshuffle our vessels to limit exposure to USTR fees, so it's likely to be less overall," he added.

In contrast, the 13,800-TEU *Cosco Shipping Rose*, which calls the US East Coast, has net tonnage of 84,940. That would put its port call fee at over $4 million, equating to about $600 per container assuming it is carrying over 6,000 containers.

An executive with a European alliance carrier said multiple factors make a per-container rate difficult to estimate at this point, including the fact that ships are not always arriving in port full. Net tonnage generally refers to a ship's internal volume, but container ships also carry freight on top of their hatches. The source said the USTR fees will result in costs "probably higher" than $300 per container.

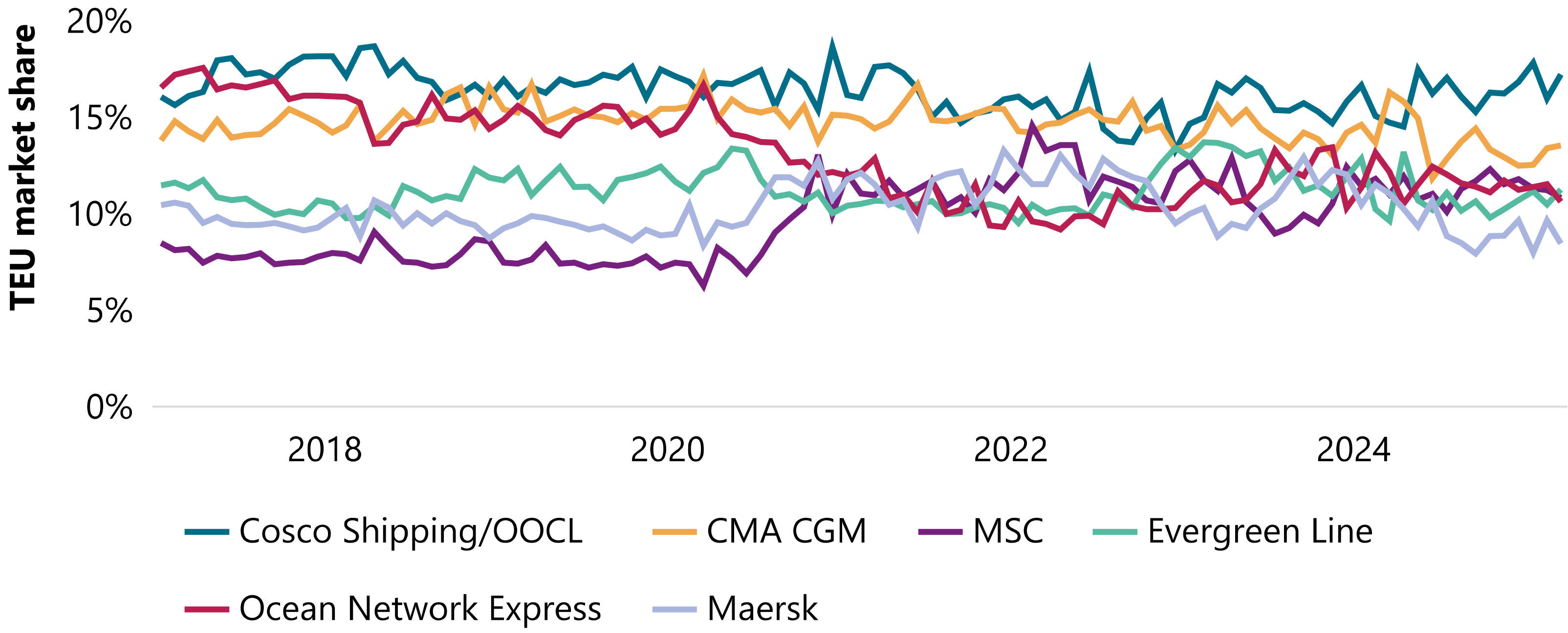
Ocean Alliance in focus

Whatever fees other container lines face, Cosco and OOCL face triple the costs. That has some industry watchers looking for both carriers to shuffle US services offered under the Ocean Alliance, alongside partners CMA CGM and Evergreen Marine.

Thanks to their role among China's exporters, Cosco and OOCL have the leading market share in trans-Pacific services to the US, according to data from PIERS, a sister company of the *Journal of Commerce* within S&P Global. Cosco and OOCL handled just over 17% of trans-Pacific imports to all US coasts during March 2025. CMA CGM came in second at 13.6%.

Top trans-Pacific container lines by US import share (PIERS)

TEU import market share among selected container lines



Source: PIERS, S&P Global

6M 1Y 3Y YTD MAX

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Of Ocean Alliance's nine direct services to the US West Coast, four are operated by Cosco and OOCL. Those include the Bohai, Hibiscus Express and Yangtse services to Long Beach and the Dahlia service to Seattle. Cosco and OOCL also supply ships to the Manhattan Bridge and South Atlantic Express services to the US East Coast and the Gulf of Mexico Express service.

Lars Jensen, CEO and partner of consultancy Vespucci Maritime, said in a LinkedIn post the fees that Cosco and OOCL face for a US port call, which he estimated could be as high as $8 million to $10 million, will likely prompt them to potentially reduce or even eliminate US services altogether.

“COSCO and OOCL will be hit harder than other carriers,” Jensen said. “This is likely to cause a network adjustment in Ocean Alliance such that CMA CGM and Evergreen will be operating US-bound services as much as possible.”

Ports America Chief Executive Matthew Leech said in another LinkedIn post that Cosco and OOCL “are more disadvantaged than other lines” by the USTR’s actions.

But Leech said the Ocean Alliance has options to keep Cosco and OOCL ships busy. The two carriers could handle Ocean Alliance’s services to Europe while CMA CGM and Evergreen redeploy that capacity to US service networks.

In media statements, CMA CGM said there are no plans for Cosco or OOCL to withdraw from Ocean Alliance, which lasts under its current agreement until 2032. Cosco’s statement Monday gave no indication of network changes but indicated that it would continue “offering a comprehensive range of dependable services.”

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