March 24, 2025

Ambassador Jamieson Greer United States Trade Representative Office of the United States Trade Representative 600 17<sup>th</sup> 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, transportation and logistics providers, and other sectors, 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 shipping costs, container and non-containerized, 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 <u>recent study</u><sup>1</sup> 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 potentially divert cargo to ports in Canada and Mexico based upon customer demand. 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

<sup>&</sup>lt;sup>1</sup> The Economic Effects of Proposed Action in the Section 301 Investigation of China's Maritime, Logistics, and Shipbuilding Policies and Practices, Trade Partnership Worldwide, LLC March 2025

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,

Agribusiness Council of Indiana Agricultural and Food Transporters Conference Agricultural Retailers Association Agriculture Transportation Coalition - AgTC Air-Conditioning, Heating and Refrigeration Institute
Airforwarders Association
Alliance for Chemical Distribution
Almond Alliance
Amcot
American Apparel & Footwear Association
(AAFA)
American Association of Exporters and Importers
American Association of Port Authorities
American Bridal and Prom Industry
Association
American Chemistry Council
American Clean Power Association
American Cleaning Institute
American Composites Manufacturers
Association
American Cotton Shippers Association
American Down and Feather Council
American Forest & Paper Association
American Hardwood Export Council
American Home Furnishings Alliance
American Logistics Association
American Pet Products Association
American Pistachio Growers
American Pulse Association
American Pyrotechnics Association

American Soybean Association American Spice Trade Association American Trucking Associations American Waterways Operators AmericanHort Arkansas Soybean Association Associated Equipment Distributors Association of Equipment Manufacturers (AEM) Association of Food Industries Association of Home Appliance Manufacturers (AHAM) Auto Care Association Autos Drive America Baltimore Customs Brokers and Forwarders Association **Big River Coalition** Boston Custom Brokers & Freight Forwarders Association Business Alliance for Customs Modernization California Association of Wheat Growers California Building Industry Association California Chamber of Commerce California Cotton Ginners and Growers Association California Retailers Association California Trucking Association California Walnut Commission California Wheat Commission CAWA - Representing the Automotive Parts Industry Center for LNG Chamber of Shipping of America Clean Fuels Alliance America

Coalition of New England Companies for Trade Color Pigments Manufacturers Association Colorado Retail Council Columbia River Customs Brokers & Forwarders Association Consumer Technology Association (CTA) Corn Refiners Association Council of Fashion Designers of America (CFDA) Council of Supply Chain Management Professionals (CSCMP) Ct Retail Network Customs Broker and Freight Forwarder Association of Northern California Customs Brokers and International Freight Forwarders Association of Washington State Distilled Spirits Council of the United States Edible Oil Producers Association Exhibition Services & Contractors Association Exhibitions & Conferences Alliance **Experiential Designers & Producers** Association Fashion Accessories Shippers Association Florida Retail Federation Florida Trucking Association FMI - the Food Industry Association Footwear Distributors & Retailers of America (FDRA) Forest Resources Association Gemini Shippers Association Georgia Green Industry Association, Inc. **Georgia Retailers Global Business Alliance** Global Cold Chain Alliance Grain and Feed Association of Illinois Greater New Orleans, Inc. Greenabl Shippers Association Greeting Card Association Growth Energy Halloween & Costume Association Harbor Trucking Association Hardwood Federation Health Industry Distributors Association (HIDA)

Heating, Air-conditioning, & Refrigeration **Distributors International** Home Fashion Products Association Home Furnishings Association Household & Commercial Products Association Houston Customs Brokers Association Idaho Grain Producers Association Idaho Wheat Commission Illinois Retail Merchants Association Illinois Soybean Growers Independent Freight Forwarders & Customs Brokers Association of Savannah, Inc. Indiana Retail Council Intermodal Association of North America Intermodal Motor Carriers Conference International Association of Exhibitions and Events International Association of Movers International Association of Venue Managers International Dairy Foods Association International Food Additives Council International Foodservice Distributors Association International Freight Forwarders & Customs Brokers Association New Orleans International Fresh Produce Association International Housewares Association International Housewares Shippers Association (IHSA) International Warehouse Logistics Association (IWLA) International Wood Products Association JFK Airport Customs Brokers and Freight Forwarders Association Juvenile Products Manufacturers Association Kansas Agribusiness Retailers Association Kansas Association of Wheat Growers Kansas Grain and Feed Association Kansas Soybean Association Kentucky Forest Industries Association Kentucky Soybean Association Landscape Illinois: The Statewide Association for Landscape Professionals Licensing International Lone Star Agribusiness Association Los Angeles Area Chamber of Commerce Los Angeles Customs Brokers and Freight Forwarders Association Maple Flooring Manufacturers Association Maritime Fire & Safety Association

Maryland Retailers Alliance Meat Import Council of America Meat Institute MEMA, The Vehicle Suppliers Association Methanol Institute Michigan Agri-Business Association Michigan Soybean Association Mid-Valley Customs Brokers Association Minnesota Grain and Feed Association Minnesota Retailers Association Minnesota Soybean Growers Association Missouri Retailers Association Montana Grain Growers Association Montana Mining Association Motorcycle Industry Council National Aquaculture Association National Asphalt Pavement Association National Association of Beverage Importers National Association of Egg Farmers National Association of Foreign-Trade Zones National Association of State Departments of Agriculture National Association of Wheat Growers National Coffee Association, USA National Confectioners Association National Corn Growers Association National Cotton Council National Council of Chain Restaurants National Council of Farmer Cooperatives National Customs Brokers and Forwarders Association of America (NCBFAA) National Fisheries Institute National Foreign Trade Council (NFTC) National Grain and Feed Association National Industrial Transportations League National Lumber & Building Material Dealers Association National Milk Producers Federation National Mining Association National Oilseed Processors Association National Pasta Association National Peach Council National Pork Producers Council National Potato Council National Retail Federation National Sorghum Producers

National Stone, Sand & Gravel Association National Turkey Federation NC AgriBusiness Council NC Sweetpotato Commission NCBFAA Shippers Association Nebraska Soybean Association Nebraska Trucking Association Nevada Trucking Association New England Lumbermen's Association New Jersey Motor Truck Association New Jersey Retail Merchants Association New York New Jersey Foreign Freight Forwarders and Brokers Association, Inc. North American Association of Food Equipment Manufacturers (NAFEM) North American Export Grain Association North American Home Furnishings Association North American Olive Oil Association North American Renderers Association North Carolina Retail Merchants Association North Dakota Agricultural Association North Dakota Grain Dealers Association North Dakota Grain Growers Association North Dakota Soybean Growers Association North Dakota Wheat Commission North Texas Customs Brokers and Freight Forwarders Association Northeast Agribusiness & Feed Alliance Northern Border Customs Brokers Association (NBCBA) Ohio AgriBusiness Association Ohio Soybean Association Oklahoma Agricultural Cooperative Council, Inc. Oregon Association of Nurseries Oregon Business & Industry Oregon Trucking Association Oregon Wheat Growers League Outdoor Industry Association **Outdoor Power Equipment Institute** Pacific Coast Council of Customs Brokers and Freight Forwarders Assns. Inc. Pacific Maritime Association Peanut and Tree Nut Processors Association Penn York Lumberman's Pennsylvania Coal Alliance Pennsylvania Landscape & Nursery Association Pennsylvania Retailers Association

Performance Racing Industry (PRI) Personal Care Products Council Pet Advocacy Network Pet Food Institute Pet Industry Distributors Association Plumbing Manufacturers International Portland Cement Association **PPAI - Promotional Products Association** International **PRINTING United Alliance** Recreational Off-Highway Vehicle Association **Renewable Fuels Association** Retail Council of New York State Retail Industry Leaders Association (RILA) Retail Merchants of Hawaii **Retailers Association of Massachusetts RI** Trucking Association San Diego Customs Broker Association San Francisco Bar Pilots Society of Independent Show Organizers South Carolina Retail Association South Carolina Trucking Assoc., Inc. South Dakota Agri-Business Association South Dakota Association of Cooperatives South Dakota Soybean Association Soy Transportation Coalition Specialty Equipment Market Association (SEMA) Specialty Soya and Grains Alliance Specialty Vehicle Institute of America Specialized Furniture Carriers Sports & Fitness Industry Association Tea Association of the U.S.A., Inc. **Tennessee Mining Association** Texas Grain & Feed Association Texas International Produce Association **Texas Wheat Producers Association** The Chamber of Marine Commerce The Fashion Jewelry and Accessories Trade Association The Fertilizer Institute The Game Manufacturers Association The Hardwood Federation The National Hay Association The National Mining Association The Sulphur Institute

The Toy Industry Association, Inc Toy Shippers Association (TOYSA) Travel Goods Association Trucking Association of New York U S Sweet Potato Council U.S. Apple Association U.S. Chamber of Commerce U.S. Dairy Export Council U.S. Fashion Industry Association U.S. Forage Export Council U.S. Meat Export Federation U.S. Pea & Lentil Trade Association U.S. Wheat Associates UFI - The Global Association of the Exhibition Industry United States Council for International **Business** (USCIB) USA Dry Pea & Lentil Council USA Poultry & Egg Export Council **USA** Rice Virginia Grain Producers Association Virginia Retail Federation Virginia Soybean Association Washington Association of Wheat Growers Washington State Potato Commission Washington Trucking Associations Waterways Council, Inc. West Texas New Mexico Customs Brokers Association West Virginia Forestry Association Western Hardwood Association Western Tree Nut Association Wine and Spirits Shippers Association, Inc. Wisconsin Soybean Association World Pet Association World Trade Center New Orleans Wyoming Ag Business Association Wyoming Mining Association Wyoming Wheat Marketing Commission