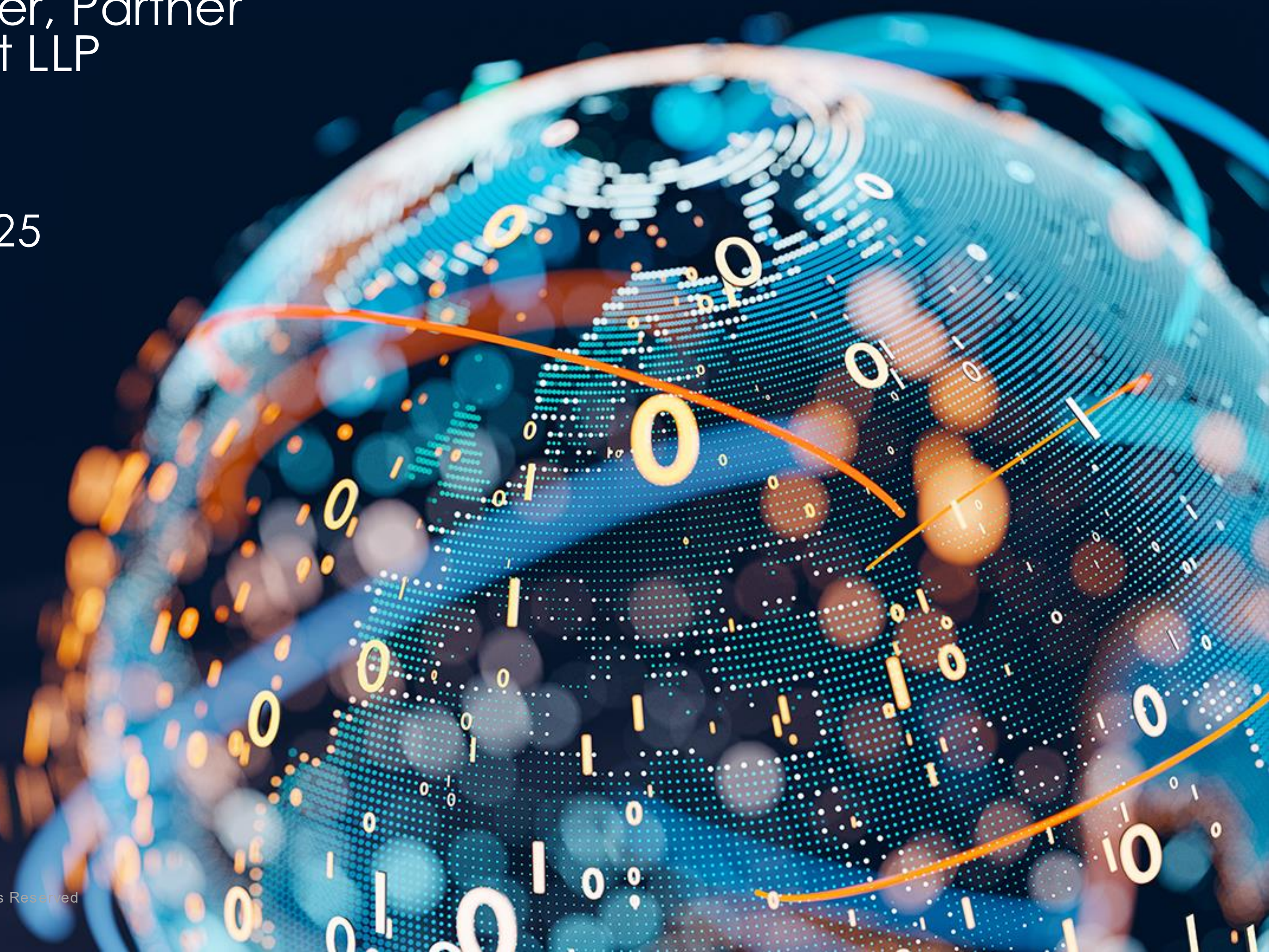
U.S. Port Fees
Chinese-owned, -operated, or -built vessels

Andrew McAllister, Partner
Holland & Knight LLP

23 September 2025



Holland & Knight

Overview & Policy Background

✓ **WHAT'S HAPPENING?** The United States will impose new port entry fees on vessels that are Chinese-owned, -operated, or -built, under a Section 301 trade action announced in April 2025.

✓ **WHY?** China's state-backed expansion in shipbuilding and extensive control in maritime logistics are seen as threats to U.S. industrial base and supply chain security:

- China's global shipbuilding share surged from **<5%** to **~50%**
- Chinese entities own **~19%** of the world's commercial fleet
- COSCO Shipping (state-owned) expanded via mergers and government support
- U.S. shipbuilders, logistics firms, and port operators struggle to compete

Timeline & Key Developments

April 2024
USTR launches Section 301 investigation into China's maritime practices.

January 2025
USTR publishes findings: China's practices are "unreasonable and discriminatory."

April 17, 2025
Final Section 301 action announced: phased port fees and LNG shipping rules.

June 6, 2025
USTR opens public comment process to revise parts of the April action.

July 7, 2025
Deadline for public comments on proposed modifications.

October 14, 2025
Phase 1 fees begin (after 180-day grace period).

April 17, 2028
Phase 2 LNG shipping requirements begin (1% quota on U.S.-built ships).

Key Definitions

Vessel Owner of China

"Vessel Owner" – Entity which is identified as the owner of the vessel and whose name would appear on the Vessel Entrance or Clearance Statement (CBP Form 1300) or its electronic equivalent

"Of China" – Any entity:

- Whose citizenship is China (which includes Hong Kong and Macau)
- Headquarters is China
- Owned/controlled by citizen(s) of China
- Owned/controlled/subject to jurisdiction or direction of China (national or resident; organized under or has PPB in China; at least 25 percent of voting interests, board seats, or equity interests
- Owned/controlled by Chinese Military Company (Sec. 1260H)
- Ocean common carrier owned/controlled by Government of China

Vessel Operator of China

"Vessel Operator" - Entity which is identified as the operator of the vessel and whose name would appear on the Vessel Entrance or Clearance Statement (CBP Form 1300) or its electronic equivalent

"Of China" – See Vessel Owner discussion

Chinese-Built Vessel

Any vessel that was built in China, consistent with the definition of place of build in CBP and U.S. Coast Guard regulations.

CBP Form 1300 – Owner and Operator

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

OMB CONTROL NUMBER 1651-0019
EXPIRATION DATE: 10/31/2027

VESSEL ENTRANCE OR CLEARANCE STATEMENT
19 CFR Part 4

☐ ENTRANCE ☐ CLEARANCE

TRADE CODES (SEE BACK) CHECK ONE: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6

1. MANIFEST NO.:
2. PORT ARRIVAL/DEPARTURE:
3. DATE & TIME:
4. VESSEL OPERATING DRAFT: (Feet & Inches) ft. in.
5. NATIONALITY, NAME & VESSEL TYPE:
6. VESSEL BUILT AT/YEAR:
7. NAME, ADDRESS & PHONE NO. OF SHIP'S AGENT:
8. NAME & COUNTRY OF OWNER:
9. NAME & COUNTRY OF OPERATOR:
10. GROSS TONNAGE:
11. NET TONNAGE:
12. PORT ARRIVED FROM/DEPARTED FOR:
13. IMO #: OFFICIAL #: CALL SIGN:
14. LIST ALL DOCK LOCATIONS (Continue on back if necessary):
15. PARTICULARS OF VOYAGE (Previous and subsequent Ports of Call, include dates, underline where remaining cargo will be discharged): (Continue on back)
16. BRIEF DESCRIPTION OF CARGO:
17. ☐ Check if Incomplete Manifest for Export
 ☐ Check if Licensed Cargo Loaded
 ☐ Check if Complete Manifest Filed for Export
18. NO. OF CREW:
19. NO. OF PASSENGERS:
20. LIST ALL CARRIERS ON BOARD BY SCAC CODE:
21. TONNAGE MARK: ☐ None ☐ Submerged ☐ Not Submerged
22. BUNKERS: TYPE, BARRELS, VALUE:
23. LOAD LINE EXPIRES:
24. SOLAS CERTIFICATE EXPIRES:
25. PASSENGERS ALLOWED PER COAST GUARD CERTIFICATE:
26. NO. OF PASSENGERS EMBARKING/DISEMBARKING:
27. CERT. OF FIN. RESP NO. & EXP DATE: (Water Pollution)
28. CERT. OF FIN. RESP NO.: (Passenger Death/Injury)
29. CERT. OF FIN. RESP NO.: (Passenger Transportation Indemnification)
30. PURPOSE OF ENTRANCE OR CLEARANCE:
 ☐ D (Discharge Foreign Cargo) ☐ X (Export Cargo Aboard on Arrival) ☐ L (Lade Cargo for Export)
 ☐ F (FROB: Foreign Cargo to Remain on Board) ☐ N (No Foreign Cargo Transaction) ☐ Y (Military Cargo for Discharge/to be Laden)
31. PRINT & SIGN NAME OF MASTER, AUTHORIZED AGENT OF OFFICER: DATE:

FOR CBP USE ONLY

32. ☐ CBP USER FEE PAID UP*
33. ☐ APHIS USER FEE PAID UP*
34. ☐ TONNAGE TAX PAID UP*
35. CASH RECEIPT, CBP 368 OR TRANSACTION NO.:
36. TOTAL FEES COLLECTED:
37. PORT ENTERED/CLEARED, TIME & DATE:
38. CBP OFFICER REMARKS:
39. SIGNATURE & TITLE OF OFFICER RECEIVING ENTRY/GRANTING CLEARANCE:

Magnitude of Port Fees

Chinese-Owned or -Operated Vessels (Annex I) Vessel operator responsible Fee per arrival based on net tonnage: \$50/NT (2025) → \$140/NT (2028)
Chinese-Built Vessels (Annex II) Vessel owner responsible Fee per arrival: higher of \$18/NT or \$120/container (2025) → \$33/NT or \$250/container (2028) Fee suspended for up to 3 years if the vessel owner orders and takes delivery of a U.S.-built vessel of equivalent or greater net tonnage.

More on Port Fees

Preferential Order for Determining Fees (Fees are Not Cumulative)

- Annex IV – Vessel for international maritime transport of liquified natural gas (LNG)
- Annex III – Vessel identified as a "Vehicle Carrier" on CBP Form 1300
- Annex I – Vessel operated or owned by a Chinese entity
- Annex II – Chinese-built vessels not covered by Annex I and Annex III

Fee Caps

Annex I and II fees will be charged up to five times per year, per vessel.

Implementation of Port Fees

- Anticipated guidance/FAQs
- Roles of U.S. Government agencies
- Ability to pay port fees prior to vessel's arrival
- Mechanisms associated with waivers or exemptions
- Availability of CBP protest process

“Best” Practices and Mitigation Strategies

- Conduct complete analysis of vessel ownership and operator, and build of vessel fleet
  - Review of Certificate of Financial Responsibility (COFR)
- Clearly assign responsibilities for port fees in charter party or other legal document
- Utilize Canada, Mexico, and Caribbean hubs for purposes of supplying the U.S. market
- Strategic deployment of fleet, including concentration into fewer U.S. port calls and higher use of non-China linked vessels for serving U.S.

QUESTIONS?

Holland & Knight