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Step by Step Guide to New Chinese Ship Port Fees in the US

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Author: Andrew Baskin
ShorelineHudson – Global Policy Advisor

How to Navigate the U.S. Port Fee Regime on Chinese-Linked Vessels

For shipowners and operators, especially those with vessels built in China or under Chinese ownership, the following step-by-step guide outlines how to comply with and mitigate the impact of the new U.S. port fees.

1. Determine If Your Vessels Are Subject to the Fees

Begin by assessing your fleet and operations against the USTR criteria. The fees apply to (a) ships that are Chinese-built, and (b) ships owned or operated by Chinese entities (including Hong Kong). If your vessel was constructed in a mainland Chinese shipyard, or if a Chinese company has a controlling interest in the vessel or its operator, that ship will incur fees when calling U.S. ports.

Action: Compile a list of your ships calling the U.S. and mark those that are Chinese-built (check build shipyard in the vessel's registry) or China-operated. Also note vessel specifics like net tonnage, TEU capacity, and service routes – these will determine fee applicability and any exemptions (next step).

About the Author

Andrew is based in Washington D.C. and serves as Vice President, Global Policy and Trade at ShorelineHudson, where he leads the firm's Port and Trade Modernization and Digitalization Practice and oversees regional engagement across the Americas. He advises clients on maritime and port policy, directing initiatives focused on digitalization, legislative and regulatory reform, operational resilience, environmental governance, and supply chain security.

2. Apply Applicable Exemptions and Thresholds

Review which of your U.S. calling ships might be exempt under the USTR's carve-outs. Key exemptions to check: Capacity thresholds – container ships under 4,000 TEU and bulk vessels under 55,000 DWT are exempt. Trade routes – ships exclusively in domestic U.S. trade, or on short routes (under 2,000 nm from a foreign port, e.g. Caribbean or Mexico to U.S.), are exempt. Great Lakes operations are exempt, as are U.S.-owned vessels (with at least 75% U.S. beneficial ownership), even if they are Chinese-built. Vessels carrying U.S. Government cargoes are exempt. And empty inbound ships (arriving with no cargo just to pick up exports) are exempt.

Action: For each vessel on your U.S. list, mark any applicable exemption. For example, a Chinese-built handymax bulker of 50,000 DWT would be exempt by size, or a Hong Kong-flag feeder doing a short-hop from Freeport to Miami (<2,000 nm) would be exempt by voyage distance. If a ship meets an exemption, you may not need further steps for it (but keep documentation ready to prove eligibility). Focus your planning on the non-exempt ships.

3. Quantify the Potential Fees

For each non-exempt vessel, calculate the fee it would incur per U.S. voyage under the new structure. Determine which fee category applies:

- If the ship is Chinese-owned/-operated, regardless of build: fee = \$50 per net ton from October 2025, increasing by \$30 each year to ~\$140/NT by 2028. For a large 100,000 NT ship, that's \$5 million at the first port call in late 2025, capped at one fee per individual U.S. voyage. For a smaller 20,000 NT ship, that's \$1 million per voyage.
- If the ship is Chinese-built but foreign-owned (e.g., a Greek-owned bulk carrier built in China): fee = \$18 per NT from October 2025, rising to \$5 annually to ~\$33/NT by 2028. There is an alternate calculation of \$120 per container (rising to \$250 by 2028) for container ships. The higher of tonnage vs. per-container applies. So, an 8,000 TEU ship, if fully loaded, (8,000 x \$120 = \$960,000) vs. its tonnage (~40,000 NT x \$18 = \$720,000) would pay the higher per-container fee.
- If the ship is a vehicle carrier (Ro-Ro) not built in the U.S.: fee = \$150 per car space (CEU) from October 2025 onward. So, a car carrier of 6,500 CEU would incur a \$975,000 fee per U.S. voyage.

Action: Create a spreadsheet for your affected vessels with their net tonnage, TEU capacity (if container ship), and CEU (if car carrier). Calculate their fee per voyage in October 2025 and note the scheduled increase each year through 2028 for budgeting. Remember the fee is charged only once per round-trip voyage, not at every port. A maximum of 5 or 6 voyages per year can be charged. This cap means even a vessel making monthly calls won't pay more than 5–6 times its single-voyage fee annually.

4. Evaluate Operational Adjustments to Reduce Fee Exposure

Analyze whether you can reconfigure deployments or fleets to cut down on fee-incurring calls:

- **Swap vessels on U.S. routes:** If you are in an alliance or have multiple flag options, consider shifting non-Chinese-built vessels onto U.S. trades and reassigning Chinese-built tonnage to other international routes. For example, if you operate 10 ships on an Asia–U.S. service and a few are Chinese-built, you might replace those with ships built in Korea/Japan (or chartered in from partners) to avoid fees. Begin talks with partners early to plan vessel rotations by the October 2025 deadline.
- **Optimize port rotations:** Since the fee is per voyage (not per port), you may still want to minimize separate U.S. voyages. This could mean consolidating port calls into a single string. For instance, instead of two separate Asia–US services each doing four U.S. ports, you might merge into one service calling those ports sequentially, so the ship pays once for what used to be two voyages. Be cautious: cutting too many port calls could upset schedule integrity or customer service, and might shift congestion to hub ports. But modest consolidation (while using intermodal links to cover other destinations) can reduce fee frequency.
- **Use smaller or exempt ships where possible:** If you have any flexibility in ship sizing for U.S. trade, deploying a vessel just under the exemption threshold (e.g. 3,800 TEU instead of 6,000 TEU) could avoid the fee entirely. This may not be economical for all, but short-sea operators or regional carriers might downsize to slip under limits.
- **Charter or flag alternatives:** In some cases, chartering tonnage from non-Chinese owners for U.S. routes might be cheaper than paying the fees on your own ships. Time-charter rates for non-Chinese-built ships may rise, but it could still save money if the avoided fee is huge. Also, explore reflagging or corporate tweaks: e.g. a Hong Kong owner could reflag a ship to Liberia and ensure management is via a non-Chinese entity, potentially avoiding the “Chinese-operated” label (though USTR may look through such changes). Any such moves should be reviewed with legal counsel and alliance partners to ensure they truly achieve the intended exemption.

Action: Develop a fleet deployment plan before the fee start date. Prioritize moving Chinese-built/operated ships off U.S. lanes, or if not possible, concentrate their U.S. calls into as few voyages as feasible. Model different scenarios for your network (including potential increased feederage from nearby countries) and weigh the operational cost vs. fee savings.

5. Leverage Fee Mitigation Opportunities

The USTR's policy includes incentives that you should factor into your strategy:

- **Fee Waivers for U.S. Newbuild Orders:** If you order and take delivery of a U.S.-built vessel of at least equal tonnage to your current ship, you can get a fee suspension for up to 3 years for that ship. For carriers contemplating fleet renewal, this is significant – essentially a rebate via avoided fees. Consider if any planned newbuilds could be placed at a U.S. shipyard. Admittedly, U.S. yards are costlier and backlogged, but for specialized ships (e.g. Jones Act feeder or a niche vessel) this could be attractive. If you do order U.S.-built, be sure to apply for the fee waiver and keep documentation to claim the exemption once the vessel is in service.
- **Ro-Ro Refunds for U.S. Orders:** The policy specifically mentioned that foreign car carriers can get refunds of fees if they order or take delivery of a U.S.-built Ro-Ro of equivalent capacity within 3 years. If you operate vehicle carriers, evaluate the business case for ordering a newbuild in the U.S. (perhaps in partnership with an auto manufacturer or leasing company) to take advantage of this incentive. The refund could effectively subsidize a portion of the new ship's cost.
- **LNG carriage quota (long-term):** If you are in LNG shipping, note the requirement by 2029 to transport at least 1% of U.S. LNG exports on U.S.-built/flagged ships. While this isn't an immediate fee, failing to meet it could incur penalties later. Long term, LNG ship operators serving U.S. export projects should monitor this and possibly collaborate with U.S. shipbuilders (who are gearing up with new LNG vessel designs). Contracts for U.S. LNG export in the 2030s may start to include

clauses about using U.S.-built tonnage. It's a niche concern, but significant if it applies to you.

6. Budget for Costs and Adapt Contracts

Accept that despite mitigation, some fees may be unavoidable – plan your finances accordingly.

Action: Incorporate projected fee payments into your voyage costing models for any service that will still involve Chinese-linked ships. Starting late 2025, your operating expenses on U.S. trades will rise for those vessels. Communicate with charterers and customers about how these costs will be handled:

- If you are a liner operator, decide whether you will implement a surcharge (e.g. "Chinese Port Fee Surcharge") on freight rates for affected shipments. Some shippers may already be bracing for this. Be transparent so customers understand the rationale – many will be scrutinizing any price hikes closely.
- If you charter out vessels that could incur fees, review your charter party clauses. Owners will try to pass the fee to charterers via voyage freight or hire adjustments. Ensure new charters explicitly address who pays the fee if incurred. This is a novel cost, so brokering agreements now will avoid disputes later. For existing long-term charters on Chinese-built ships calling the U.S., consider negotiating an addendum with the charterer to share or handle the fee.
- For tanker and bulker owners: if your ship is Chinese-built and trading to U.S. ports (e.g. carrying crude to the U.S.), you might seek to avoid spot voyages to the U.S. once fees kick in unless the freight rate compensates. Alternatively, negotiate premium freight from charterers for U.S. discharge options reflecting the fee. The market will determine this over time.

7. Monitor Legal and Policy Developments

This policy could evolve with political and legal challenges. The shipping industry is lobbying hard, and there are questions regarding USTR's authority to levy the proposed fees, which could ultimately be challenged in U.S. courts or at the WTO. Also, China's response (retaliatory measures or diplomatic negotiation) could alter the playing field.

Action: Stay updated on any changes:

- Follow USTR announcements, Federal Register notices, or amendments (e.g. if further exemptions or delays are introduced). For instance, if trade tensions ease, the U.S. might suspend the fees; conversely, if tensions worsen, they might extend them beyond current scope.
- Keep an ear to industry news about legal injunctions or lawsuits. If a court were to halt the fee implementation pending review, this would affect your plans. Engage with industry associations (ICS, BIMCO, WSC) for the latest intelligence.
- Watch for international developments: if China imposes any countermeasures that affect your operations (for example, a tariff on U.S. exports carried by certain ships, or port delays for U.S. affiliated vessels), you'll need to adjust. Given Beijing's strong rhetoric, some response is possible.
- Revisit your compliance strategy periodically. The 180-day lead time and phased approach give some flexibility – use that window to fine-tune your plans as real data on fee costs and behavior changes emerge.

For more information contact
ShorelineHudson's U.S. policy advisor
in Washington D.C.

Andrew Baskin
Andrew.Baskin@HudsonAnalytix.com

www.shorelinehudson.com

8. Engage and Communicate

Internally, ensure all departments (operations, chartering, finance, and legal) understand these new rules and their role in compliance. Externally, communicate proactively:

- **Customers:** If you're a liner, prepare customer advisories about the upcoming fees and any service changes. Shippers will appreciate forewarning about potential re-routings or surcharges. Emphasize that you are working to minimize impact (perhaps mention that only certain ships/trades are affected, etc., without divulging sensitive strategy).
- **Alliances/Partners:** Coordinate closely with alliance partners, slot-share partners, and vessel sharing agreements. The whole consortium needs a unified approach so that, for example, one partner's ship replacement doesn't leave another short. Consider joint scenarios – e.g., switching a loop to be operated by the partner with non-Chinese ships and compensating via slots on another loop.
- **Shipyards/Builders:** If you are contemplating a U.S. newbuild for the incentive, open dialogue with U.S. yards early, as their capacity is limited. There may be subsidies or other government incentives as part of this initiative, so be ready to capitalize.
- **Advisors:** Consult with maritime attorneys or consultants on tricky points, such as the definition of "Chinese-operated" if you have complex ownership, or tax implications of reflagging. The text of the proposed actions is nuanced, which can lead to ambiguity in its interpretation – get clarity to avoid missteps that could lead to unexpected fees or fines.

By following these steps, shipowners can create a robust plan to handle the U.S. port fees. The goal is to minimize financial impact while staying compliant. Many operators will be navigating the same challenge; sharing best practices within industry forums (without violating competition law) may also help. Above all, remain agile – this new regulatory environment is evolving, and successful shipowners will be those who adapt quickly and strategically to keep their U.S. trades running smoothly despite the headwinds.