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Client Advisory UPDATE 10/25

U.S. Port Fees on Chinese-Linked Vessels. Implementation Begins October 14 – What Shipowners and Operators Must Know Now

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About the Author
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Immediate Update:
Implementation Now Imminent
Starting October 14, 2025, the U.S. Trade Representative's (USTR) port fees targeting Chinese-built and Chinese-linked vessels will enter into effect. The 180-day grace period announced in April 2025 is ending, making compliance a live operational concern for shipowners, operators, and charterers calling U.S. ports.

This Advisory serves as a follow-up to our April 2025 Client Briefing and Episode 37 of the ShorelineHudson Maritime Risk Podcast, updating clients on the latest regulatory shifts and offering actionable recommendations.

What's Changing — Now in Force
The headline changes entering into force:

- Fee levies begin October 14 on all non-exempt vessels that are:
  - Chinese-built
  - Chinese-owned or -operated
  - Vehicles carriers (Ro-Ro) not built in the U.S.

- Fees apply per U.S. voyage, capped at 5 assessed fees per year per vessel.

- Fee structure:
  - Chinese-owned or -operated vessels: $50/NT (rising annually to $140/NT by 2028)
  - Chinese-built, foreign-operated vessels: $18/NT or $120 per container discharged (rising to $33/NT and $250 per container discharged by 2028)
  - Ro-Ro fee: $14/NT (or $150/CEU for specialized vehicle carriers)

Who Is Affected

Owners, operators, charterers, and financiers of vessels that fall into one or more of the following categories:

- Chinese-built tonnage calling U.S. ports (even if owned by Greek, Korean, or other foreign entities)
- Chinese-owner or -operated vessels, including those flagged to Hong Kong
- Vehicle carriers (Ro-Ro) not constructed in the U.S.
- Long-term charterparties lacking cost-allocation clauses for new regulatory charges

Operational and Contractual Imperatives

1. Update Charter Agreements

Many existing voyage or time charters do not explicitly allocate responsibility for these new fees. To avoid commercial disputes, ShorelineHudson recommends:

- Using BIMCO's "U.S. Nexus Fee Clause" or INTERTANKO's equivalent wording in new fixtures.
- For existing charters, negotiating rider clauses or mutual amendments.
- For owners: communicating cost exposure and proactively clarifying recovery mechanisms.
- For charterers: expecting stronger resistance to U.S. discharge options on Chinese-built vessels.

2. Treat "Change of Operator" Requests with Caution

Attempts to switch COFR operator designations to avoid fee exposure are under scrutiny. Cosmetic or last-minute swaps may not pass muster. Only genuine shifts in operational control (crewing, management, commercial employment) with legal substantiation should be actioned.

3. Be Ready for Enforcement

U.S. Customs and Border Protection (CBP) may request documentation to confirm exemption eligibility or validate operator declarations. Be prepared to show:

- Charterparty terms
- Flag, registry, and ownership structures
- Voyage service routes and TEU/DWT/NT/CEU specs

Legal & Political Watch Points

- **U.S. Government Shutdown:**
  While the shutdown has paused some back-office operations, fees are still being processed, and collections will proceed via U.S. Treasury systems. Ship operators should not expect implementation delays due to the shutdown.

- **China's Position:**
  Beijing has formalized legal tools for retaliatory countermeasures, though none have been implemented to date. Operators with U.S. exposure should monitor China-facing risk closely.

Payment Mechanism, Timing & Operator Responsibility

CBP has confirmed that the vessel operator listed on CBP Form 1300 (typically matching the COFR operator) is responsible for timely payment of the new port fees. These fees must be paid prior to or at the time of arrival at a U.S. port, and operators must register and pay through the online fee collection portal. The official payment portal is hosted on Pay.gov.

If a vessel arrives in port without payment having been properly registered and completed, it may be subject to delay or denial of entry, with possible civil penalties for non-compliance.

ShorelineHudson strongly urges operators and agents to:

- Ensure clarity of the vessel operator listed on the COFR and Form 1300.
- Confirm timely registration on the payment portal.
- Assign a responsible party to monitor fee calculation, portal registration, and payment submission at least 72 hours prior to port call, to avoid operational delays.

Cybersecurity Advisory – Payment Portal Risk

Operators are advised that the online fee payment portal is the sole official method for submitting these new port fees. Given the high monetary value of these transactions, in some cases reaching into the millions of U.S. dollars, the risk of fraud, phishing, or spoofed payment pages is non-trivial.

We recommend:

- Limiting portal access to designated, trained personnel.
- Verifying URLs and certificates before making payment.
- Implementing dual control or two-factor authentication where possible.
- Consulting your IT/cybersecurity teams to conduct a brief risk assessment prior to first-time use.

What Clients Should Do Now

1. Re-run internal fleet assessments using our April step-by-step guide.
2. Coordinate with chartering and legal teams to clarify who pays what.
3. Build new port fees into voyage costing models now for Q4 2025.
4. Consider routing or tonnage swaps to avoid high-fee exposures.
5. Prepare talking points for counterparties and shippers about surcharges or fee pass-throughs.
6. Use your local shipping agents and COFR advisors to ensure accurate declarations.

Hear More on the Latest Podcast

Catch the latest ShorelineHudson Maritime Risk Podcast – Episode 43

"Chinese Ships & U.S. Port Fees: Deadline Week is Here – Are You Ready?"

Available on Spotify, Apple Podcasts, and our website.

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

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