SQUIRE PATTON BOGGS

Section 301 port fees on Chinese vessels

Further two-month suspension and what comes next

Key takeaways

- The suspension of the Section 301 port fees and related measures, due to expire at 11:59 p.m. ET on November 9, 2026, is set to be extended by two months to January 9, 2027, following an agreement reached during the September 24 Trump-Xi summit in Washington DC.
- On October 23, 2026, the Office of the US Trade Representative (USTR) issued a Federal Register notice opening a short public comment period that ran from October 23, 2026, and closed on October 30, 2026. (Docket USTR-2026-0694; 91 Fed. Reg. 67388, published October 26). Comments filed can be found in the USTR Comments Portal under Docket ID: USTR-2026-0694.
- Formal approval of the extension is widely expected. The notice-and-comment process is required under the Administrative Procedures Act (APA) to gather stakeholder input when USTR is considering tariff adjustments or trade actions pursuant to Section 301 and is largely a ministerial act.
- The key question is what happens on or before January 9, 2027. The consensus in Washington DC is that further short extensions of two to three months are likely, with the imposition of port fees kept in reserve (suspended) as negotiating leverage with China.

Background

The Section 301 investigation at issue was initiated in April 2024, and focused on China's acts, policies and practices targeting the maritime, logistics and shipbuilding sectors for dominance. A notice of proposed action was published in February 2025, and formal notices of proposed action issued in April 2025, with final modifications announced in June 2025, and then in October 2025.[1] As noted above, the Section 301 measures took effect on October 14, 2025, but were suspended for one year from November 10, 2025, pursuant to an agreement reached by Presidents Donald J. Trump and Xi at the 2025 Summit in Busan, Korea.

The original one-year suspension, and this most recent two month suspension, cover all of the Section 301 related measures. The most visible and impactful were the broad-port fees that target Chinese-owned, Chinese-operated and Chinese-built vessels calling at US ports. The fee structure includes per-call charges of up to US$1 million or more for vessels owned or operated by Chinese entities, and for Chinese-built vessels operated by non-Chinese companies. However, the proposed measures go well beyond Chinese-built vessels. The measures also include up to 100% tariffs on specific Chinese-built ship-to-shore (STS) cranes and tariffs of up to 150% on other cargo handling equipment (including rubber-tired gantry (RTG) cranes, rail-mounted gantry cranes and automatic stacking cranes).

Finally, one of the more controversial measures in the Proposed Section 301remedies is Annex III, which sets out port fees for car or vehicle carrying vessels (ro-ro vessels). The fees provided for in Annex III apply to all foreign-built vehicle carrier vessels, not just those built in China or those owned or operated by Chinese entities. As a result, Annex III appears to be detached from Section 301's purpose of securing the removal of China's actionable acts, policies and practices, and is designed to punish the owners and operators of all vehicle carrying vessels.

[1] Our firm has previously prepared a series of alerts on the Section 301 investigation of Chinese shipbuilding and maritime sectors. See for example: US Trade Representative Announces Section 301 Investigation in Chinese Shipbuilding and Maritime Transportation (March 2024); Rough Seas Ahead – An Overview of the Section 301 Investigation Into China's Maritime and Shipbuilding Sectors (March 2025).

The proposed further suspension

At the September 24, 2026 summit, the two governments agreed to extend the moratorium on these Section 301 measures by two months. USTR proposes suspending the measures (port fees, tariffs on cranes and cargo handling equipment, as well as the Annex III fees on all vehicle carrying vessels) from 12 a.m. ET on November 10, 2026, through 11:59 p.m. ET on January 9, 2027. USTR requested comments on a very compressed timetable. The approach mirrors the procedure USTR followed for the original one-year suspension in November 2025.

Summary of public comments

Most submissions support the extension. Many also ask USTR to suspend the fees permanently or indefinitely. Some of the principal submissions are summarized below.

Commenter(s)	Position	Key arguments
World Shipping Council	Supports; urges permanent suspension	The fees would raise freight costs and act as a regressive tax. Annex III should be revoked in full. Fees on vessels already built or ordered penalize past decisions.
International Chamber of Shipping (ICS); European Shipowners (ECSA)	Supports	Represents about 34.5% of the global fleet. Hopes the suspension evolves into a permanent US-China agreement. Endorses the ICS submission.
Norwegian Shipowners' Association	Supports	The fees and Chinese countermeasures disrupted global trade and harmed US interests. Seeks a long-term agreement that permanently withdraws the fees.
National Grain and Feed Association (NGFA)	Supports; seeks permanent elimination or at least a further one year delay	Bulk grain freight is currently stable because the market expects an extension. Bulk carriers above the exemption thresholds were hit hard by cost increases in 2025. If fees resume, agriculture should be exempted.
Agriculture Transportation Coalition (AgTC)	Supports	The fees would price US farm and forest exports out of markets and reduce calls at smaller ports. Bulk shipping is especially price sensitive.
USA Shipbuilding Coalition	Opposes	The pause allowed Chinese orderbooks to recover. Further delay creates uncertainty for US shipbuilding investment. The measures should apply immediately.

Outlook

Even before this latest notice and comment period, Washington DC observers and shipping industry stakeholders consistently indicated that major new trade measures were unlikely before the November 3, 2026 midterm elections. Even after the coming elections, the prevailing view is that the administration will continue to use the port fees as leverage in its negotiations with China. A further short extension of two to three months is therefore likely in January 2027. Unfortunately, successive, short extensions offer little predictability for owners and charterers.

Factors pointing toward potential reinstatement of the port fees and other measures remain. These include bipartisan pressure from Congress to support the US shipbuilding and maritime transportation sector, slowly building momentum behind the SHIPS for America Act and its proposed Maritime Security Trust Fund, and the February 2026 Maritime Action Plan issued by the White House, which relies in part on fee revenue. The plan also proposes a universal cargo-weight-based fee on all foreign-built vessels, not only Chinese vessels.

Practical considerations for vessel owners and operators

- Plan commercially for possible reinstatement after January 9, 2027, and review the allocation of Section 301 fee risk in charter parties and contracts of affreightment that run past that date
- Monitor the Federal Register and USTR announcements from mid-December, since decisions have typically come close to deadlines
- Consider whether to make submissions on any future USTR proposals, including on the exemption thresholds for bulk vessels and on relief for agricultural trade, and on the legality of the proposed fees for vehicle carrying vessels regardless of country of origin and on any efforts to impose a universal cargo-weight-based fee on all foreign-built vessels

This alert is based on publicly filed comments and our discussions with Washington DC maritime contacts. It is not legal advice. Developments are fluid.

Contacts



D. Michael Kaye
Partner, Washington DC
T +1 202 457 6545
michael.kaye@squirepb.com



Barry Stimpson
Partner, Singapore | Perth
T +65 6922 7870 | +65 91118780
barry.stimpson@squirepb.com



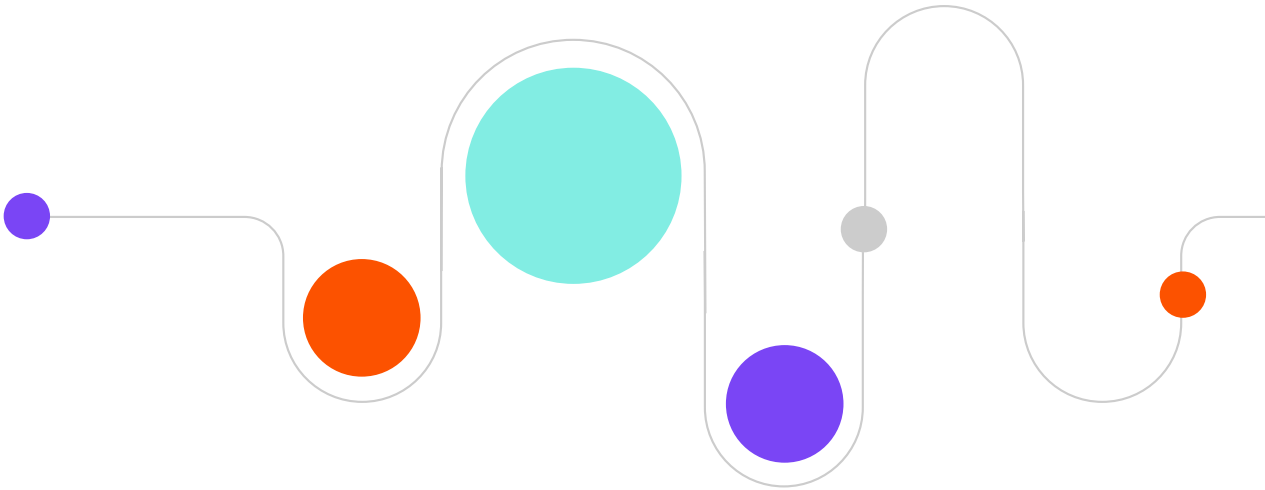
Jeffrey Orenstein
Partner, Washington DC
T +1 202 457 5247
jeffrey.orenstein@squirepb.com



Kate Sherrard
Partner, Geneva | Singapore
T +65 6922 8668
kate.sherrard@squirepb.com



Michael Wray
Of Counsel, Houston
T +1 713 546 3330
michael.wray@squirepb.com



The opinions expressed in this update are those of the author(s) and do not necessarily reflect the views of the firm, its clients, or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

© Squire Patton Boggs. All Rights Reserved 2026.

72666/11/26