

On March 14, 2025, the US Federal Maritime Commission (FMC) [announced](#) the initiation of a nonadjudicatory investigation into transit constraints at international maritime “chokepoints.”

The [Federal Register](#) notice initiating the investigation identified the following seven global maritime passageways that may be subject to such constraints: (1) the English Channel, (2) the Malacca Strait, (3) the Northern Sea Passage, (4) the Singapore Strait, (5) the Panama Canal, (6) the Strait of Gibraltar and (7) the Suez Canal. The FMC announcement is another sign of the continued merger of national security, trade issues and global shipping and transportation issues.

The FMC has a statutory mandate to monitor and evaluate conditions affecting shipping in US foreign trade. [46 U.S.C. 42101\(a\)](#) provides that the commission “shall prescribe regulations affecting shipping in foreign trade ... to adjust or meet general or special conditions unfavorable to shipping in foreign trade,” when those conditions are the result of a foreign country’s laws or regulations or the “competitive methods, pricing practices, or other practices” used by the owners, operators or agents of “vessels of a foreign country.” The FMC is also required under 46 U.S.C. 46106 to report to Congress on potentially problematic practices of ocean common carriers owned or controlled by foreign governments, e.g., China. The FMC will conduct this investigation in accordance with its procedures for a nonadjudicatory investigation set forth in 46 CFR Part 502, Subpart R.

The FMC is conducting this investigation into any actions by a foreign country or other maritime interests that might constitute anticompetitive practices, irregular pricing or pricing that is deemed prejudicial to US foreign trade interests, and any other practices of government authorities, vessel owners, operators or agents affecting transit through such passageways. That is an incredibly broad mandate, and there is complete uncertainty as to what “remedies” or “proposed actions” the FMC might recommend so as to remediate any perceived constraints on transit.

However, given the potentially severe and disruptive impact of the [proposed actions](#) currently being considered by the Office of the US Trade Representative (USTR) in relation to the ongoing Section 301 investigation into “China’s Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance,”¹ this new FMC investigation bears careful monitoring and engagement by affected parties.

Some commentators have already concluded that this new FMC investigation is simply a new front in the trade war the US is waging on the Chinese maritime and shipbuilding industries. [Seatrade Maritime News](#) claims that the FMC investigation is “not about trade at all,” but rather a continuation of the “China witch hunt” that started with the USTR Section 301 investigation.² Others see the inclusion of the Panama Canal in the FMC investigation as an extension of the Trump administration’s stated desire to “take back” the canal, although in truth, the recent controversy over the Panama Canal was in part related again to China, and concerns over the involvement of the Panama Ports Company, a subsidiary of Hong Kong-based Hutchison Port Holdings.³ The references in the FMC notice of initiation to “other maritime interests” and “other practices of government authorities,” including irregular pricing or “pricing that is deemed prejudicial to US foreign trade interests,” appear to be a veiled reference to the Panama Maritime Authority and allegations that US vessels were being treated differently. Most commentators now agree that the FMC investigation is another element or tool that the administration intends to use to reduce US reliance on foreign-owned cargo vessels, and indeed force cargo interests to use US vessels.⁴ In this context, the focus on the Suez Canal may actually be a US ploy to target and extract concessions out of Egypt;⁵ the English Channel may be more about targeting the UK and France.

The FMC summarizes its individual concerns about (1) the English Channel, (2) the Malacca Strait, (3) the Northern Sea Passage, (4) the Singapore Strait, (5) the Panama Canal (6) the Strait of Gibraltar, and (7) the Suez Canal in the Federal Register notice. In summary, the concerns range from congestion, limited passing opportunities, an elevated risk of collisions, navigational challenges, variable weather conditions, environmental risks, geopolitical tensions, security threats and, in some areas, piracy and smuggling.

1 A recent Bloomberg News [article](#) went so far as to indicate that the “Billion-Dollar US Levies on Chinese Ships Risk a ‘Trade Apocalypse’”

2 Interestingly, there are some notable exclusions from the list of the seven “chokepoints,” including some that are significantly more problematic and/or more important to global trade flows, including the Black Sea and the Bosphorus, the Strait of Hormuz, and the Bab Al Mandeb Strait.

3 The Carnegie Endowment for International Peace published a February 19, 2025 [article](#) examining the US motivations behind the Panama Canal gambit.

4 TradeWinds posits in one [article](#) that the FMC may try to ban or detain ships from the “maritime chokepoint” countries, or restrict or ban service to the US by shipping lines or vessel operators that are said to contribute to issues relating to transit through these passageways.

5 For example, this may be about the US getting preferential deals for US vessels; e.g., US-flagged vessels being given free Suez transits by the Egyptian government, under threat of measures against Egypt being imposed if not.

With respect to the Northern Sea Passage, the FMC notes that this is emerging as a critical maritime chokepoint as the region's waters become ice free for longer periods, with it offering a shortcut between Europe and Asia⁶. Reference is made to Russia seeking control over the route and its strategic importance being amplified by increased military activity from Russia, China and NATO forces.

In the section on the Panama Canal, while noting that Panama's ship registry is one of the world's largest, the FMC notes that remedial measures it can take include "refusing entry to US ports by vessels registered in countries responsible for creating unfavorable conditions." In addition to Panama, states that control other areas in which chokepoints are located operate some of the world's other largest ship registries, such as Singapore, Malaysia and Indonesia. If this investigation leads to the US refusing entry to, or imposing penalties on, vessels flagged in these states, or on vessels owned by interests from these states, it could have very far-reaching implications.

As is foreseen in the impact of the Section 301 proposed actions, these measures could have the potential to significantly raise the costs of calling at US ports (either by way of reduced availability of tonnage or the imposition of direct penalties) with these costs being passed down the charterparty chain and then ultimately to customers and consumers.

The FMC notes that other significant constraints affecting US shipping may arise quickly in the global maritime environment. For example, when the Singapore-flagged containership Dali struck a bridge in Baltimore, Maryland in March 2024, six people were killed and maritime access to the Port of Baltimore was blocked, a situation that persisted for many weeks and led to losses that have been estimated to reach as high as US\$4 billion.

Interested parties are permitted to submit written comments by May 13, 2025, with experiences, arguments and/or data relevant to the above-described maritime chokepoints, particularly concerning the effects of laws, regulations, practices or other actions by foreign governments, and/or the practices of owners or operators of foreign-flag vessels, on shipping conditions in these chokepoints.

The FMC states that it welcomes comments not only from government authorities and container shipping interests, but also from tramp operators, bulk cargo interests, vessel owners, individuals and groups with relevant information on environmental and resource-conservation considerations, and anyone else with relevant information or perspectives on these matters.

In particular, the FMC has expressed an interest in information and perspectives on the following six questions:

1. What are the causes, nature and effects, including financial and environmental effects, of constraints on one or more of the maritime chokepoints described above?
2. To what extent are constraints caused by or attributable to the laws, regulations, practices, actions or inactions of one or more foreign governments?
3. To what extent are constraints caused by or attributable to the practices, actions or inactions of owners or operators of foreign-flag vessels?
4. What will likely be the causes, nature and effects, including financial and environmental effects, of any continued transit constraints during the rest of 2025?
5. What are the best steps the FMC might take, over the short term and the long term, to alleviate transit constraints and their effects?
6. What are the obstacles to implementing measures that would alleviate the above transit constraints and their effects, and how can these be addressed?

It will be interesting, and indeed imperative, for global shipping interests to monitor the comments received and how the proposed measures are developed accordingly.

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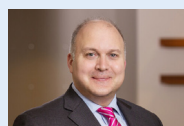
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6 Although consultant Darron Wadey at Dynaliner in the Netherlands has expressed [a view, quoted in Seatrade Maritime News](#), that this route is "an outlier" in the list and has "zero relevance" to US foreign trade.