NATIONAL TAXPAYERS UNION

TO: Office of the United States Trade Representative
FROM: Bryan Riley, National Taxpayers Union
RE: Suspending Section 301 Action for One Year: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance
Docket ID: USTR-2025-0274
DATE: November 7, 2025

National Taxpayers Union (NTU) is the oldest taxpayer group in the United States. We serve as the "Voice of America's Taxpayers" and strive to represent their best interests before governments at all levels. NTU welcomes the one-year pause in previously announced taxes that were scheduled to be imposed pursuant to the Section 301 investigation: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance. It is NTU's understanding that all five annexes of this previously announced action will be paused.

The Office of the United States Trade Representative (USTR) had previously announced measures including "fees" on Chinese-built ships docking at U.S. ports. But a fee is a payment for services rendered.[1] The proposed charges were simply new taxes. These taxes were in addition to several other actions, including tariffs on Chinese-built cranes used at ports.

The new taxes would have increased the cost of both importing and exporting. As a result, they generated wide-ranging opposition, including from U.S. energy producers, retailers, and agricultural producers.

Reducing export opportunities would have undermined U.S. efforts to promote energy dominance. The pause in Annex IV actions, which would have mandated minimum usage of U.S.-built ships for LNG exports, is particularly helpful. The overall pause in pending Section 301 actions will provide welcome relief to agricultural producers who continue to face increased input costs and growing competition from foreign exporters. NTU agrees with the American Farm Bureau Federation's assessment that new taxes and U.S.-built shipping requirements could "strangle trade."[2] In addition, new taxes on importers, whether ultimately borne by companies or consumers, would have weakened the U.S. economy.

[1] Cornell Law School, Legal Information Institute, "Fee," https://www.law.cornell.edu/wex/fee.
[2] Jerry Hagstrom, "Farm Groups Alarmed by USTR Proposal on Chinese Ship Fees," *The Fence Post*, March 20 2025, https://www.thefencepost.com/news/farm-groups-alarmed-by-ustr-proposal-on-chinese-ship-fees/.

When China or other countries subsidize their industries, those actions should be challenged at the World Trade Organization (WTO). In addition, the United States should lead efforts to strengthen the WTO and pursue trade agreements that promote zero subsidies, zero tariffs, and zero non-tariff barriers.

NTU endorses continued broad-based actions to promote manufacturing, such as the tax measures included in the One Big Beautiful Bill Act and the Trump Administration's efforts to reduce costly regulations. The pause in Section 301 actions is, at its core, a pause in the imposition of new taxes and regulations. NTU applauds this action.