NMA
National Mining Association

March 20, 2025

The Honorable Jamieson Greer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Comments regarding Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance (submitted electronically via https://www.regulations.gov.)

Dear Ambassador Greer:

The National Mining Association (NMA) appreciates the opportunity to submit these comments regarding the Office of the United States Trade Representative's (USTR) Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance (proposed action).[1]

The NMA is the only national trade organization that serves as the voice of the U.S. mining industry and the hundreds of thousands of American workers it employs before Congress, the federal agencies, the judiciary and the media, advocating for public policies that will help America fully and responsibly utilize its vast natural resources. We work to ensure America has secure and reliable supply chains, abundant and affordable energy, and American-sourced materials that are delivered under world-leading environmental, safety and labor standards. Headquartered in Washington, D.C., the NMA has a membership of more than 250 companies and organizations involved in every aspect of mining, from producers and equipment manufacturers to service providers.

The mining sector is dependent on international shipping as virtually all mining exports move to their final destination by deepwater maritime vessel. As a result, the NMA has a direct interest in the USTR's proposed action. For example, the value of exports of mineral raw materials in 2024 exceeded $10.6 billion and the value of shipments of domestically processed mineral materials was approximately $900

[1] Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance, 90 Fed. Reg. 10,845 (Feb. 27, 2024) (proposed action).

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billion.[2] Additionally, U.S. coal is recognized around the world for its superior quality and U.S. coal exports are both a stabilizing force in the global marketplace and a source of job creation in the U.S. Coal exports are a major driver of dry bulk shipping, with seaborne coal volumes reaching 1.335 billion metric tons in 2023, valued at over $15 billion.[3]

The NMA and its members are supportive of the Trump administration's bold and unwavering efforts to reshore American industry. We must act immediately and aggressively to address China's global dominance over far too many sectors—including the shipping and maritime sector—and to reestablish the United States as an industrial powerhouse whose strength begins in U.S. mines and grows throughout U.S. supply chains. The administration is doing this by aggressively focusing on policies and actions that will revitalize the U.S. industrial base, secure U.S. energy dominance, protect American jobs, and level the global playing field for American businesses and workers. Unfortunately, the proposed action will have the opposite effect on each of these stated goals.[4]

To put the devastating impacts of this proposal in focus, even the specter of port fees is already making U.S.-mined materials uncompetitive in the global marketplace, pushing international trading partners to turn to alternative sources of supply, including materials from Russia and other nations.[5] With a rapidly eroding customer base, U.S. mines are being idled and jobs lost—all before the proposal has even gone into effect. Consider the impacts if enacted.

USTR is proposing fees for every port call, made not only by Chinese-built and operated vessels, but also for every port call made by any operator "with greater than 0 percent of their fleet comprised of Chinese-built vessels." Approximately 98 percent of ships that call on U.S. ports have Chinese ties and, therefore, would be affected by USTR's proposed action.[6] That leaves two percent of ships that call on U.S. ports to absorb the entirety of the U.S. export trade—a clear impossibility.

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[2] U.S. Geological Survey, 2025, Mineral commodity summaries 2025: U.S. Geological Survey, 212 p., *available at* https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf.
[3] U.S. Energy Information Agency data for 2023 coal exports and price of coal, *see* tables https://www.eia.gov/coal/production/quarterly/pdf/t4p01p1.pdf and https://www.eia.gov/coal/production/quarterly/pdf/t5p01p1.pdf.
[4] For a general discussion of the potential economic impacts associated with the proposed action, please see the March 2025 report, "The Economic Effects of Proposed Action in the Section 301 Investigation of China's Maritime, Logistics and Shipbuilding Policies and Practices," prepared by the Trade Partnership Worldwide, LLC.
[5] Wu, Brian, "US Port Fees Push Turkish Buyers to Russian Coal," Argus, March 13, 2025.
[6] Center for Maritime Strategy, What to Watch 2023: America Must Begin Growing Its Merchant Marine, John D. McCown, January 10, 2023 https://centerformaritimestrategy.org/publications/what-to-watch-2023-america-must-begin-growing-its-merchant-marine/.

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Such circumstances would greatly harm U.S. exports of energy and mined material, an important part of the Trump administration's goal for energy dominance.

Looking at other immediate and near-term impacts, because the proposed service fees would impact large non-Chinese companies,[7] operators that may be subject to the proposed service fees are refusing to book U.S. exports. For example, several coal company members have reported the loss of nearly all their export orders for the remainder of the year due to uncertainty surrounding the proposed action's service fee. As a result, companies must now reassess their current contract demand and production levels, which may lead to significant cutbacks or even closures at their mines. If these operators eliminate service to the U.S. to avoid fees, there will be an insufficient number of vessels remaining to meet U.S. export and import demands, including U.S. coal exports. According to the Center for Maritime Strategy, U.S. flagged cargo ships represent just 0.57 percent of worldwide commercial shipping tonnage.[8] Most seaborne coal shipments rely on Panamax vessels, which accounted for 49.4 percent of coal transport, followed by Supramax vessels at 28.3 percent.[9] Indeed, the impact on the mining industry is already being felt.

Several NMA members have begun calculating anticipated impingement of capital based on the proposed fees. One company reported that the fees could increase total annual operating costs at one of its mines by over 15 percent which would have a chilling effect on future investment in that operation. Another indicated that if the fees were implemented on its 2025 exports, the impact would be in the range of $135-140 million. Additionally, many companies stressed that the impact of the fees goes beyond exports. The unintended consequences extend to U.S. imports, as the fees could result in reduced availability of essential and nonessential goods, increased demand, and increased prices for U.S. consumers.[10]

With these concerns in mind, the NMA submits the following recommendations that taken together will ensure that our shared objectives in addressing China's dominance in the maritime and shipbuilding arena are realized in conjunction with

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[7] *See, e.g.*, *U.S. to Hit Chinese Ships with Hefty Port Fees*, THE WALL STREET JOURNAL, (Feb. 24 2025), https://www.wsj.com/business/logistics/u-s-to-hit-chinese-ships-with-hefty-port-fees-1894a61c.

[8] Center for Maritime Strategy, https://centerformaritimestrategy.org/publications/what-to-watch-2023-america-must-begin-growing-its-merchant-marine/.

[9] Break Wave Advisors Webpage, "Coal Dry Bulk Flows U.S. – Europe Market Analysis," (Feb. 5, 2025), https://www.breakwaveadvisors.com/insights/2025/2/5/coal-dry-bulk-flows-us-europe-market-analysis#:~:text=In%20terms%20of%20vessel%20class,on%20mid%2Dsized%20bulk%20carriers.

[10] *See, e.g.*, *How Charging Chinese Ships Could Ripple Through the Economy*, THE WALL STREET JOURNAL, (Feb. 26 2025), https://www.wsj.com/articles/how-charging-chinese-ships-could-ripple-through-the-economy-cc5c46f6.

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practices which support and promote the U.S. mining industry. To achieve these objectives, the NMA offers the following modifications and considerations in response to the proposed action. While we support the overarching goals of the proposed action, we urge USTR to consider an approach that will protect U.S. energy and mined-material exports and avoid unintended consequences that could create more costs than benefits. Specifically, we recommend that USTR: (1) provide additional opportunities for full industry feedback; (2) adopt a phased implementation of USTR's final action; (3) create an exclusion for energy and mineral products; and (4) incentivize the purchase of U.S. vessels by creating a waiver from service fees for such purchases.

1. **Full Industry Feedback Is Imperative to Successful Implementation of the Proposed Action – Response Comments and a Response Hearing**

Procedurally, it is imperative that the administration gets full industry feedback. While USTR's opportunity for comments is appreciated, the NMA would be fully supportive of a response period of 60 days following the submission of parties' initial comments. We believe response comments would provide USTR with the opportunity to be fully informed regarding all aspects of the industry, the industry's concerns and all potential impacts resulting from any USTR action. Specifically, response comments would allow input from the shipping industry on ability to ramp up production to meet current U.S. export demand. Additionally, the NMA would be supportive of an additional hearing following the proposed response comment period for purposes of discussing implementation and timeline of USTR's final action. Providing an opportunity for full industry feedback allows for adjustments based on real-time feedback and data, ensuring that policies are effective and do not inadvertently harm American businesses or consumers.

2. **A Phased Implementation Encourages Behavioral Change While Avoiding Harm to U.S. Industry**

The NMA proposes that any final action adopted by USTR be implemented in phased roll out periods allowing for operators to adjust behaviors while simultaneously avoiding inadvertent harm to U.S. exports. Specifically, the NMA proposes an incremental rollout schedule which provides for at least a six month "safe harbor" period following publication of USTR's final action where no service fees are imposed. This period would be followed by a period of incremental increases. For example, USTR could implement service fees in 2026 starting only with Chinese built and operated ships, and then implement another step up in fees at 18 months. At the end of the rollout phase, the full-service fee could be imposed on operators who have failed to adjust their behaviors in accordance with the criteria outlined by USTR.

The proposed phased implementation not only provides an opportunity for behavior change from operators globally, but it allows for the U.S. shipping industry to weigh

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in on the time needed to develop and continue producing ships, which will ultimately aid in exporting U.S. goods. Importantly, in the interim, U.S. exports will not be immediately disrupted or harmed. This careful approach can help mitigate potential disruptions and facilitate a smoother transition for all U.S. industry.

3. Inclusion of an Exemption for U.S. Energy and Mined Material Exports

U.S. energy and mineral dominance, as discussed in both the Unleashing American Energy[11] and Declaring a National Energy Emergency[12] Executive Orders, have been a centerpiece in President Trump's policies to grow the U.S. economy and fight inflation. Exporting our nation's bountiful energy and mined material products is an integrated part of the strategy to expand domestic production. Unfortunately, American energy and mineral producers will be put at a competitive disadvantage in global markets if these fees are implemented. These producers will ultimately be the ones who pay the shipping fee through increased freight charges thus increasing operational costs and putting downward pressure on American production and American jobs. The NMA supports giving waivers for ships carrying U.S. energy and mined material for sale around the globe.

4. Incentivizing Operators through Offsets Promotes the U.S. Shipbuilding Industry

The NMA would additionally support USTR offering potential wavers or offsets to operators as incentives that likewise promote the U.S. shipbuilding industry. It is our understanding that USTR is contemplating implementing the service fees for non-Chinese companies that may include a non-Chinese flagged ship that was manufactured in China. For these non-Chinese companies, we propose offering a waiver/offset to firms that place orders to buy U.S. ships. Specifically, USTR could create an incentive in providing that any shipping line which places a firm order for a purchase of a U.S. ship will receive a year free of service fees.

The proposed incentive provides a strategic opportunity to directly bolster the U.S. shipbuilding industry. By implementing this offset, USTR can stimulate domestic ship orders and create jobs within the maritime sector. We believe that this initiative will not only contribute to the sustainability and growth of the U.S. shipbuilding industry, but also increase protection of U.S. exports in the long-term.

While a waiver connected with ship orders would further the administration's objectives, other incentives could also be utilized. For example, as discussed above, the mining industry is a large U.S. exporter that relies on international shipping. USTR could create another waiver or exception for vessels that enter U.S. ports contingent upon certifying that upon exit their cargo is 100 percent U.S. origin

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[11] Executive Order 14154, 90 Fed. Reg. 8353 (Jan. 29, 2025).
[12] Executive Order 14156, 90 Fed. Reg. 8433 (Jan. 29, 2025).

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goods. A combination of these two incentives would not only stimulate demand for U.S. ship production but the U.S. mining industry, and other U.S. industries exporting merchandise, would likewise avoid any unintended consequences of the proposed action. These exceptions would ensure that American businesses can continue to compete in the global market without facing undue burdens.

Conclusion

We believe that the options the NMA recommends above would be particularly powerful in furthering American competitiveness if implemented in concert. It is crucial to recognize that, should fees render U.S. exports uncompetitive, other countries will certainly fill the void. Again, to use coal as an example, when firms can no longer profitably ship U.S. coal, then foreign suppliers such as Russia, Indonesia or South Africa, are poised to fill that vacuum as dominant coal exporters. This shift could significantly impact the U.S. economy and our energy independence. The global supply of coal is highly concentrated, with the top 10 coal exporting countries accounting for more than 98 percent of global shipments in 2023. As a result, the other major coal exporting nations are poised to capitalize on any measures that would make U.S. coal exports less competitive. As such, we must protect our export markets to ensure that the U.S. retains its competitive position in the global coal industry and other sectors.

Lastly, we wish to emphasize that we fully support measures aimed at holding Chinese companies accountable for unfair trade practices. It is essential to take a firm stance against those who undermine the principles of fair competition and seek to gain an unfair advantage over American businesses. However, we believe that this approach should not extend to companies from other nations, such as significant trading partners, which are operating within the bounds of fair trade. Accordingly, some clarification of the language in the proposed action may be useful. As currently proposed, the language of the proposed action would impose service fees on operators globally, such as non-Chinese companies with Chinese-built vessels in their fleet. Because the proposed action currently imposes a service fee based on the percentage of Chinese-built vessels in the operator's fleet, without limitation for non-Chinese operators, if the operator of the vessel owns any Chinese-built vessels in its fleet, the operator must pay a service fee, regardless of the operator’s nationality. The later would result in wide-sweeping service fees imposed on operators of all countries, not just Chinese companies. As a result, not only would U.S. exports lose service from Chinese origin vessels, but potentially all operators globally, since statistics show that 98 percent of operators have a Chinese built vessel in their fleet.

The NMA respectfully requests that this language be clarified to impose service fees on Chinese companies only. Targeting only Chinese companies ensures that we maintain strong relationships with key trading partners and do not inadvertently harm our economic partnerships with nations that share our objectives of fair trade.

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We look forward to working with you on this and other issues of importance to our industry and I would be happy to answer any questions you may have. Thank you for your consideration of our request and for your continued support of the U.S. coal and mining industries.

Yours sincerely,

Rich Nolan
President and CEO
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