XCOAL ENERGY & RESOURCES

March 12, 2025

The Honorable Howard Lutnick
U.S. Department of Commerce
1401 Constitution Ave. NW, Room 21028
Washington, DC 20230

Dear Secretary Lutnick:

We refer to USTR Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors. If the proposed fees are enacted and implemented, exports of U.S. origin coal are likely to cease within sixty (60) days. The cessation of U.S. coal exports would affect approximately one hundred million tons of coal from the USA; worth approximately US$130 billion in revenue. The loss of direct and indirect jobs would be catastrophic to the coal mining regions.

Xcoal has actual experience of vessel owners refusing to provide offers for vessels to load future cargoes due to the exposure to the fee structure published by USTR. The fee structure would add approximately $25 per ton, representing approximately 16% to 35%, to the delivered costs of U.S. coal. These additional costs would force customers of U.S coal to purchase coal from Australian, Canadian, Chinese, Indonesian, and/or Russian mine operators to avoid the risk of additional delivered costs.

Xcoal requests the opportunity to engage with USTR to explain the consequences of the proposed Section 301 rule and fee structure. Xcoal requests that the Section 301 rule and fees not be implemented.

I'm available to discuss when convenient for you or your team.

Very truly yours,

Xcoal Energy & Resources

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