



March 24, 2025

**The Honorable Jamieson Greer**  
**United States Trade Representative**  
Office of the United States Trade Representative  
600 17<sup>th</sup> Street NW  
Washington, DC 20508

VIA USTR ONLINE PORTAL

**Re: Comments at Public Hearing – Docket ID: USTR-2025-002**

**Proposed Action in Section 301 Investigation of China's Targeting of the Maritime,  
Logistics, and Shipbuilding Sectors for Dominance**

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Dear Ambassador Greer,

I submit these comments on behalf of the Seafarers' International Union of Canada ("SIUC") Regarding the *Proposed Action in the Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance* (**Docket ID: USTR-2025-0002**).

The SIUC represents the majority of Canadian citizen and permanent resident seafarers employed in ratings positions on Canadian-flagged vessels. Our members work aboard Canadian flagged, owned, and operated vessels trading on the Great Lakes, the St. Lawrence River, the East Coast, the West Coast, and in the Canadian Arctic.

Firstly, the SIUC strongly supports all efforts to strengthen North America's maritime sector including the industrial shipbuilding industry. For decades, North American vessel operators have relied on foreign shipyards to build vessels for operation in both the United States and Canada. We have no opposition to implementing policy and protections that would reshore this once-thriving industry and most importantly, bring a significant number of decent good-paying jobs back to North America. Alongside our support for the principle of this petition, the SIUC also has serious concerns with the proposed scope of application of Port fees for all Chinese-built vessels calling at American ports which has the potential to cause serious harm for Canadian shipping and Canadian maritime workers as well as American industries and consumers.

**Overview**

From a Canadian context, the construction and importation of vessels from foreign shipyards has largely been due to the lack of competitive commercial shipbuilding capacity in the region and as

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a consequence, a simultaneous decline in the availability of necessary skilled labour for shipyard work. Additionally, construction of Canadian vessels in foreign shipyards has been facilitated through government incentives to remove import duty taxes on foreign built vessels with a focus on promoting fleet renewal.

While the preference of the SIUC and many other stakeholders in the Canadian maritime industry would have been to build these vessels in Canada with Canadian labour, these decisions to build vessels in foreign countries were nonetheless done in good faith. These foreign-built vessels have been imported over many years for operations specifically within Canada's restricted Coasting Trade (or *cabotage*) market which directly and indirectly supports over 300,000 good-paying jobs for Canadian workers on board Canadian-flagged, owned, and operated vessels.<sup>1</sup> Government incentives to build commercial vessels in foreign countries were initiated over a decade ago in order for the Royal Canadian Navy and Canadian Coast Guard to utilize the limited domestic shipbuilding capacity in the interest of national security and to promote fleet inter-compatibility as part of Canada's National Shipbuilding Strategy.<sup>2</sup>

In line with the original petitioners' concerns, we concur that China has strategically positioned itself to capture a significant market share of the global shipbuilding industry by engaging in unfair and anti-competitive behavior. Through a heavily state-funded industry, grounded in the pursuit of global maritime dominance, China has unjustly moved to monopolize the shipbuilding industry while North American workers and shipyards have suffered as a consequence. With tens of thousands of jobs lost on both sides of the border over decades of decline, we support the efforts to revitalize this crucial sector and restore strength to North America's shipbuilding capacity.

With that said, the SIUC strongly advocates that the implementation of port fees for any Chinese-built vessels calling at U.S. ports must be carefully considered and the scope of application narrowed to exempt all Canadian registered, owned, and operated vessels that are engaged in Short sea shipping.

## **The SIUC Recommends the Following for Consideration by the USTR in its Investigation:**

### **1. Capture the Appropriate Trade**

Short sea shipping, representing transits of less than 2000 nautical miles, are critical to moving raw materials such as road salt, iron ore, grain, coal, cement, and fuel within the great lakes and St. Lawrence Seaway system and along U.S. Coastal shipping routes. These are essential materials for American industry and infrastructure projects and this waterborne trade occurs via specialized vessels that are purpose-built for the inland Seaway system in a niche market. If fees are imposed on these vessels, there would be an immediate and significant increase in the cost per ton of cargo moved via ship and this will drive up costs for American industries and consumers. This fee would also be too significant to be absorbed by operators in these regions and could cause significant disruptions to the flow of trade between countries with the possibility that these contracts become

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<sup>1</sup> Coasting Trade Act. <https://lois-laws.justice.gc.ca/eng/acts/C-33.3/>

<sup>2</sup> <https://www.canada.ca/en/public-services-procurement/services/acquisitions/defence-marine/national-shipbuilding-strategy/about.html>

too costly to sustain. These potential disruptions would put at risk thousands of jobs of Canadian seafarers represented by the SIUC.

## **2. Exempt Existing Fleets from the Fee**

The application of the fee against vessels that have already been built and have operated in the short sea shipping market for many years now is misplaced and does nothing to stem Chinese shipbuilding nor promote American shipyards. What is in the past cannot now be undone. Instead, the application of the fee should be narrowed to only penalize future Chinese-built vessels or those with a keel laid after an agreed-to date. This would align with the intended focus of the original petition, which is to shift power back to American shipyards. Meaningful action to address Chinese shipbuilding dominance must be focused on the future as a retroactive approach will create economic harm on both sides of the border while failing to address the underlying premise of the petition.

## **3. Target Chinese Ownership and/or Specific Trade Routes**

In order to purposefully target and diminish the dominance of China in the overall marine sector, consider implementing port fees only on Chinese-built, owned, and operated ships. Concurrently, if there were a need to expand the scope of application, levying fees against transoceanic carriers, which account for the majority of container imports to the United States, generally done via foreign-flag carriers of which many are operating Chinese-built vessels, would incur a more limited economic impact on American consumers. Due to the nature of this trade and the economic scale of the operations in this sector, the fees levied against those vessels are proportionally easier to absorb on a per ton of cargo basis. In turn, this would mean lower costs would then be imposed on to American consumers.

## **Conclusion**

We strongly support USTR efforts to create a stronger shipbuilding industry in America and promote investment in jobs and workers in decent and fair work at U.S. Shipyards. While national security considerations can be met in expanding domestic shipbuilding capacity and creating more opportunities for American mariners to work on American made, American flagged, and American operated ships, a balance must be struck. We urge USTR to reassess the proposed port fees and instead consider alternatives that would better meet U.S. maritime policy objectives while maintaining fluid North American bi-national trade.

The SIUC urges that the application of a \$1.5 million port fee per ship on Chinese-made vessels calling at U.S. ports must be narrowed to avoid unintended harm to bi-national trade between Canada and the United States. China's attempts at maritime dominance are a valid concern for both Canadian and American maritime stakeholders and while we are encouraged by policy discussions to strengthen and promote shipbuilding in North America, the approach must be strategic and promote common prosperity in our shared maritime economies.

On behalf of the Seafarers' International Union of Canada, we appreciate the opportunity to submit comments and look forward to furthering the discussion on this important issue.

Respectfully,

A handwritten signature in cursive script that reads "Chris Given".

Chris Given

Secretary-Treasurer

Seafarers' International Union of Canada