



OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Modification of Section 301 Action: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Notice.

SUMMARY: On November 1, 2025, the White House announced a historic trade and economic deal reached between President Trump and President Xi Jinping of China. The United States Trade Representative, at the direction of the President, is suspending for one year, beginning on November 10, 2025, the responsive actions taken in this investigation.

DATES: *November 10, 2025:* The actions taken in this investigation are suspended, as of 12:01 a.m. Eastern Standard Time on November 10, 2025, through 11:59 p.m. Eastern Standard Time on November 9, 2026.

FOR FURTHER INFORMATION CONTACT: Philip Butler, Chair of the Section 301 Committee; Thomas Au, Associate General Counsel; or David Salkeld, Assistant General Counsel at (202) 395-5725.

SUPPLEMENTARY INFORMATION:

I. Background

For background on the proceedings in this investigation, please see the prior notices issued in this investigation, including 89 FR 29424 (April 22, 2024), 90 FR 8089 (January 23, 2025), 90 FR 10843 (February 27, 2025), 90 FR 17114 (April 23, 2025) (April 23 notice), 90 FR 24856 (June 12, 2025) (June 12 notice), and 90 FR 48320 (October 16, 2025) (October 16 notice).

On April 17, 2025, pursuant to sections 301(b), 301(c), and 304(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(b), 2411(c), and 2414(a)), and following

consideration of public comments, as well as consultations with advisory committees and the Section 301 Committee, the U.S. Trade Representative determined to take action in this investigation. *See* April 23 notice.

On October 10, pursuant to section 307(a), and following consideration of public comments, as well as consultations with advisory committees and the Section 301 Committee, the U.S. Trade Representative determined to modify the action. The modifications included changes to certain aspects of Annexes III and IV of the April 23 notice, as well as imposition of duties on ship-to-shore cranes and on certain cargo handling equipment of China as described in Annex V.A of the October 16 notice. *See* October 16 notice.

On November 1, 2025, the White House announced a historic trade and economic deal reached between President Trump and President Xi Jinping of China.¹ Pursuant to this deal, the United States would suspend for one year, beginning on November 10, 2025, the responsive actions taken in this investigation. The United States would negotiate with China pursuant to Section 301 regarding the issues raised in this investigation. While taking these actions, the United States would continue its domestic efforts and its discussions with key allies and partners on revitalizing American shipbuilding.

In accordance with Section 307(a)(2) of the Trade Act, on November 6, 2025, the U.S. Trade Representative, at the direction of the President, proposed to suspend for one year, beginning on November 10, 2025, the responsive actions taken in this investigation. The U.S. Trade Representative requested comments from any interested person regarding the proposal to suspend the responsive actions. *See* Office of the United States Trade Representative, *Request for Comments on Suspending Section 301 Action for One Year*:

¹ Fact Sheet, The White House, President Donald J. Trump Strikes Deal on Economic and Trade Relations with China (Nov. 1, 2025), <https://www.whitehouse.gov/fact-sheets/2025/11/fact-sheet-president-donald-j-trump-strikes-deal-on-economic-and-trade-relations-with-china/>.

China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance

(Nov. 6, 2025),

<https://ustr.gov/sites/default/files/files/Press/Releases/2025/301%20Ships%20FRN%20Req%20Cmts%20on%20Suspension%20FINAL.pdf> (November 6 notice).

II. Determination to Modify the Action

Section 307(a)(1) of the Trade Act authorizes the Trade Representative to modify any action being taken under Section 301, subject to the specific direction of the President, including if such action being taken under Section 301(b) is no longer appropriate.

In light of the trade and economic deal reached between President Trump and President Xi Jinping of China, and at the direction of the President, the U.S. Trade Representative has determined that the action taken on April 17, 2025, as modified, is no longer appropriate and will be suspended for one year. The U.S. Trade Representative's determination to modify the actions that have been taken in this investigation is premised upon China's commitment to negotiate pursuant to Section 301 regarding the issues raised in this investigation, the public comments received in response to the November 6 notice, the extensive public comments previously provided, advice from the Section 301 Committee, and consultations with petitioners and advisory committees.

Therefore, the U.S. Trade Representative is suspending the responsive actions in this investigation from 12:01 a.m. Eastern Standard Time on November 10, 2025, through 11:59 p.m. Eastern Standard Time on November 9, 2026.

During the suspension period, no party will accrue liability for or be required to pay the fees on maritime transport services under Annexes I, II, or III of the April 23 notice, as modified by the October 16 notice. Further, during the suspension period, no party will accrue liability for or be required to pay the duties provided in Annex V.A of the October 16 notice.

Accordingly, at 12:01 a.m. Eastern Standard Time on November 10, 2025, headings 9903.91.12, 9903.91.13, 9903.91.14, 9903.91.15, and 9903.91.16 of the Harmonized Tariff Schedule of the United States are each amended by deleting “November 9, 2025,” and by inserting “November 10, 2026,” in lieu thereof.

III. Responses to Significant Comments

In response to the November 6 notice, USTR received approximately 70 unique comments. Most of these comments supported the proposal to suspend the action. Many noted that suspension of the action would lower shipping costs and avoid commercial disruption, provide an opportunity for the United States to negotiate with China on the issues raised in this investigation, and permit additional time to find solutions to increase investment in U.S. shipbuilding. Comments specifically addressing the suspension of restrictions of Annex IV of the April 23 notice, as modified by the October 16 notice, generally supported the suspension. Some comments suggested a permanent suspension of fees on LNG ships. Comments specifically addressing the suspension of the additional tariffs on ship-to-shore cranes and other cargo handling equipment proposed in the October 16 notice, generally supported suspension of all the tariffs and expressed concerns with higher prices and harm to domestic industries.

Comments opposing the suspension asserted that the responsive action is needed to address China’s acts, policies, and practices creating incentives to invest in U.S. shipbuilding, and that, without the action, China’s dominance in shipbuilding will only increase. USTR also considered comments received in response to the February 23 notice, the April 23 notice, and the June 12 notice, including comments that supported suspension of the responsive action for a period of time and further negotiation with China regarding the subject acts, policies, and practices.

With respect to comments suggesting a permanent suspension of fees under Annex IV, the restrictions in Annex IV are not yet in effect, and therefore would not be affected by the proposed suspension of Annex IV.

Considering the comments, and consistent with the President's direction, the U.S. Trade Representative has determined to suspend this action for one year. During the suspension, the United States will negotiate with China pursuant to Section 301 to address the acts, policies, and practices at issue in this investigation, as well as continue to partner with key allies to increase U.S. shipbuilding capacity.

Since the U.S. Trade Representative has taken action in this investigation, the United States has entered into historic deals with Japan and the Republic of Korea to modernize and expand the capacity of American shipbuilding industries, including through investments in U.S. shipyards and America's workforce. Pursuant to the terms of those deals, Japan has committed to invest \$500 billion in the United States, and, among other things, has signed a Memorandum of Cooperation with the United States to expand shipbuilding capacity in both nations by aligning investment, procurement, workforce, and technology initiatives.² Similarly, the Republic of Korea has committed to invest \$150 billion in shipbuilding in the United States,³ and several Korean companies will partner with U.S. companies to modernize American shipyards and support new construction of U.S.-flagged vessels.

IV. Proposed Modifications in the October 16 Notice

² Fact Sheet, The White House: President Donald J. Trump Drives Forward Billions in Investments from Japan (Oct. 28, 2025), <https://www.whitehouse.gov/fact-sheets/2025/10/28195/>.

³ Fact Sheet, The White House: President Donald J. Trump Brings Home More Billion Dollar Deals During State Visit to the Republic of Korea (Oct. 29, 2025), <https://www.whitehouse.gov/fact-sheets/2025/10/fact-sheet-president-donald-j-trump-brings-home-more-billion-dollar-deals-during-state-visit-to-the-republic-of-korea/>.

For additional clarification, USTR will continue to accept comments regarding the modifications proposed in the October 16 notice, docket number USTR-2025-0017, through November 12, 2025.

V. Ongoing Monitoring

The U.S. Trade Representative will continue to monitor the issues raised in this investigation pursuant to Section 301 of the Trade Act and will consider whether it is appropriate to continue the suspension period or whether further action is appropriate in advance of the November 10, 2026 suspension deadline. If modification to the action may be appropriate pursuant to Section 307 of the Trade Act, the U.S. Trade Representative may consider the comments received in response to previously proposed responsive actions.

Jennifer Thornton

General Counsel,

Office of the United States Trade Representative.

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