

**Subject:** USTR Update on Chinese Built/Owned/Operated Vessels - October 14, 2025 Commencement

**Fm: General Steamship Corp – Mill Valley, CA**

Good day all,

As the October 14, 2025 commencement date of the new USTR fees for Chinese built/owned/operated vessels approaches, we would like to provide you the latest summary of information as we understand it. There are still unfortunately many unanswered questions at this time, but below is our best summation of available information to date. Following is subject to change as new information is published by USTR/CBP, which we do expect to receive.

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For most dry/liquid bulk and breakbulk carriers, there are two annexes in play with the new USTR regulations. Annex 1 and 2. Fee schedules for both are detailed below. We understand that if vessel qualifies for fees under annex 1, then **it is exempt** from fees under annex 2. If vessel **does not** qualify under annex 1, then it still may qualify under annex 2. **Annex 1 takes priority**. We will not have a situation where fees under both annexes apply, **it will be one or the other or neither**.

## **Annex I – Fee on Chinese Vessel Owners / Operators**

**What it is:** A fee on any vessel entering a U.S. port that is **owned or operated** by a Chinese entity (including mainland China, Hong Kong, Macau) as defined in Annex I. **Taiwan is not included.**

VESSEL OWNER WILL BE DETERMINED BY SHIP'S REGISTRY, AND VESSEL OPERATOR WILL BE DETERMINED BY U.S. COFR (CERTIFICATE OF FINANCIAL RESPONSIBILITY) PER LATEST INFORMATION FROM CBP. IF EITHER OF THOSE ENTITIES ARE CHINESE COMPANIES, THEN THE FEES IN ANNEX 1 **WILL APPLY**.

**Fee schedule (net tonnage basis):**

<b>Effective Date</b>	<b>Fee per Net Ton (USD)</b>
Until Oct 13, 2025 (180-day grace period)	<b>\$0</b>
Oct 14, 2025	<b>\$50</b>
April 17, 2026	<b>\$80</b>
April 17, 2027	<b>\$110</b>
April 17, 2028	<b>\$140</b>

### **Caps / Limits:**

- Max **five** fee assessments per vessel per year under Annex I.
- For vessels making multiple U.S. port entries before heading to a foreign destination (i.e. multiple U.S. port calls in one voyage or “rotation” or string), the fee is assessed **one time** per rotation.

If vessel does not qualify for fees under annex 1, then it still may qualify for fees under annex 2 as follows:

## **Annex II – Fee on Chinese-Built Vessels**

This applies to Chinese-built vessels that are **not already subject under Annex I.** The fee is based on the **higher of**:

- A fee per net tonnage, or
- A fee per container discharged (for containerized cargo)

### **Fee schedule:**

<b>Effective Date</b>	<b>Fee per Net Ton (USD)</b>
Until Oct 13, 2025	<b>\$0</b>
Oct 14, 2025	<b>\$18 / NT ; \$120 / container discharged</b>
April 17, 2026	<b>\$23 / NT ; \$153 / container</b>
April 17, 2027	<b>\$28 / NT ; \$195 / container</b>
April 17, 2028	<b>\$33 / NT ; \$250 / container</b>

### **Caps / Limits:**

- Also capped at five assessments per vessel per year.
- Assessed per rotation / string of U.S. port calls (same as Annex I) when vessel makes multiple U.S. port calls before heading abroad, only charged at first port.

## **Exemptions under Annex II**

There are several classes of Chinese-built vessels that are **exempt** from Annex II fees (i.e. they do *not* pay under Annex II even though they are Chinese-built), provided none of the higher-priority annexes apply. Key exemptions include:

1. **Vessels enrolled in key U.S. maritime security / sealift / cable programs**, e.g.:
  - Maritime Security Program (MSP)
  - Tanker Security Program (TSP)
  - Cable Security Program (CSP)
  - The Voluntary Intermodal Sealift Agreement (VISA) or equivalents.

2. **Vessels arriving empty or in ballast** (i.e. without cargo)
3. **Size / capacity thresholds:** Chinese-built vessels under certain size (or cargo capacity) are exempt. Specifically:
  - Container ships 4,000 TEU (Twenty-Foot Equivalent Units) or less
  - Breakbulk or general cargo vessels with deadweight tonnage  $\leq 55,000$  DWT
  - Individual bulk capacity limit of 80,000 DWT or less for bulkers (ships carrying loose unpackaged goods like grain, coal, etc.)
4. **Vessels engaged in short-sea shipping:** voyages under a certain distance from U.S. ports (less than 2,000 nautical miles for vessels entering the continental U.S.) are exempt.
5. **Certain U.S.-owned vessels or U.S.-flagged vessels** (or vessels owned by U.S. companies) even if built in China, when enrolled in those U.S. maritime programs.
6. **Specialized export vessels** – certain kinds of specialized vessels (not defined in full detail in all summaries, but referenced) are exempt.
7. **U.S. government cargo** is not subject to these fees.

We have not been advised of any extension for the implementation of these fees beyond October 14. **You should expect fees to begin on October 14.** We are still awaiting highly anticipated FAQ document to be issued by USTR/CBP, and will pass to all parties upon receipt.

Our understanding at this time is that fee collection will go **through the vessel agent** when they enter the vessel with US Customs. Our presumption is that vessel will not be cleared with CBP/allowed to sail until these fees are paid in full. Per previous information from BIMCO, we understand that the **time charterer/vessel operator** will be the primary party responsible for paying these fees as a result of her employment in the U.S., and the head owners will for the most part be exempt. Although you should consult your own individual charter parties for confirmation on same.

We will be certain to provide any and all updates as available. Thank you.