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March 24th, 2025

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

Re: Consumer Technology Association Comments on Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance (Docket # USTR-2025-0002)

Dear Ambassador Greer,

The Consumer Technology Association (CTA) appreciates the opportunity to provide comments on the proposed actions in the Section 301 investigation of China's targeting of the maritime, logistics, and shipbuilding sectors for dominance, as outlined in the Federal Register Notice dated February 21, 2025.

CTA represents the more than \$537 billion U.S. consumer technology industry, which supports over 18 million U.S. jobs. Our members include over 1200 companies from every facet of the consumer technology industry, with 80 percent being start-ups or small and mid-sized companies. We also own and produce CES®, the most influential technology event in the world, which showcases international policies concerning existing and new technologies.

CTA agrees that China has enacted numerous non-market policies and practices that pose disruptive barriers to trade and unfairly manipulate the competitive landscape, including in the maritime, logistics, and shipbuilding sectors. We support USTR's efforts to identify and investigate these policies.

However, we urge USTR to be mindful of the limitations and consequences of unilateral action. Inflation continues to undermine the potential of the U.S. economy and increase costs for U.S. businesses and workers. Fees on operators in maritime and logistics sectors and restricting U.S. exports to U.S.-flagged vessels, for example, may increase the costs of technology products and inputs sold in the United States, which would undermine the goal of reducing inflation.

While we understand the concerns regarding China's practices in these sectors, we would like to express our concerns about the potential impacts of the proposed actions on U.S. commerce and industry. The following points outline our primary concerns and recommendations:

The Proposed Actions Will Impact U.S. Businesses and Consumers:

The imposition of high fees on Chinese maritime transport operators and on maritime operators with significant Chinese-built fleets could lead to increased shipping costs. This increase could be passed on to U.S. businesses and consumers, resulting in higher prices for goods and services. According to publicly available data, the U.S. relies heavily on international maritime transport for the import and export of goods.¹ Any measures that increase costs or disrupt the supply chain could negatively impact the overall economy and the global competitiveness of U.S. companies.²

A March 2025 study on the economic effects of the Proposed Actions concludes that Gross Domestic Product (GDP), aggregate exports, and aggregate imports will decrease under all scenarios of the proposed remedies.³ Overall, the proposed measures would have a net negative impact on the U.S. economy. For every remedy option considered, U.S. exports would decline, potentially exacerbating the U.S. trade deficit.

According to MSC, the world's largest shipping carrier, the proposed U.S. fees on Chinese-built ships would cost the shipping industry over \$20 billion, or \$600-\$800 per container.⁴ This would have a significant negative impact on U.S. businesses and consumers, as higher costs would be passed down the supply chain.

For context, the consumer technology industry is one of the trade-reliant sectors in the United States.

In 2023, the value of U.S. imports of electronic products totaled \$591.7 billion. This was driven by a rise in imports of semiconductors and integrated circuits, circuit apparatus assemblies, and remote-control apparatus.⁵ Given these dynamics, the economic and

¹ Export Statistics, US Census Bureau, <https://www.census.gov/econ/overview/mt0100.html>.

² Trade Shifts Index 2021, USITC (February 2022), https://www.usitc.gov/research_and_analysis/tradeshifts/2021/electronic.

³ The Economic Effects of Proposed Action in the Section 301 Investigation of China's Maritime, Logistics, and Shipbuilding Policies and Practices, Trade Partnership Worldwide (March 2025), [Shipbuilding-Remedy-Study.pdf](#)

⁴ Trump is targeting China-made containerships in a new flank of global economic war on the oceans, CNBC (March 11, 2025), <https://www.cnbc.com/2025/03/11/trump-pursues-new-trade-war-on-seas-targeting-china-containerships.html>.

⁵ Trade Shifts Index, USITC (February 2024), https://www.usitc.gov/research_and_analysis/tradeshifts/2023/electronic.

commercial impacts of the proposed actions on trade in consumer technology products could be considerable.

In 2023, the value of U.S. domestic exports of electronic products increased by \$4.5 billion (2.7 percent) to \$171.8 billion. The rise in exports was due primarily to an increase in exports of medical goods, telecommunications equipment and circuit assemblies.⁶

The Proposed Actions Will Impact Carriers and Ports:

Should these fees be implemented, it is anticipated that port consolidation will drive network congestion and subsequent rate increases, and surcharges passed through by ocean carriers. About 20% of the carriers in the network of importers and retailers have Chinese built vessels with about 60% of vessels on order being built in China.

Carriers have also disclosed that they may consolidate to only serve large US ports on the West Coast (i.e. Seattle, LA) and East Coast (Savannah, New York) while passing smaller ports including Oakland, Norfolk, and Charleston. This would lead to nationwide port congestion and destination capacity constraints at the larger ports. Industry remains concerned about whether the levels of port congestion we would see would rival that of 2021 during peak COVID-19 port congestion.

The Proposed Actions Will Impact Consumer Technology Supply Chain Resilience:

The proposed restrictions on the international maritime transport of U.S. goods on non-U.S.-built vessels may further strain the already fragile supply chains. Given the current challenges in the global supply chain, we urge USTR to consider the potential risks associated with imposing such restrictions and their ability to exacerbate existing vulnerabilities. Publicly available analysis indicates that the U.S. does not have sufficient capacity to replace the volume of maritime transport services currently provided by Chinese-built vessels. According to the Congressional Research Service (CRS), U.S. shipyards produce just 0.2 percent of the world's total tonnage, while China, Korea, and Japan account for 90 percent of global production.⁷ China alone produces over 1,700 ships annually, while the U.S. builds just five. It is crucial to assess the feasibility and practicality of the proposed transport restrictions to avoid unintended disruptions.

⁶ Trade Shifts Index, USITC (February 2024), https://www.usitc.gov/research_and_analysis/tradeshifts/2023/electronic.

⁷ U.S. Commercial Shipbuilding in a Global Context, CRS Reports (November 15, 2023), <https://www.congress.gov/crs-product/IF12534>.

The Proposed Actions Will Impact American Workers:

The proposed actions could lead to significant job losses in the U.S. maritime and logistics industries. According to a report by Trade Partnership Worldwide, imposing high fees on Chinese-built vessels could reduce employment in the electronics sector, with factory worker jobs declining by 4.15 percent and positions for technicians and skilled workers falling by 3.69 percent.⁸ Additionally, the increased costs and potential disruptions to the supply chain could lead to further job losses in related industries, such as manufacturing and retail.

The Proposed Actions Will Impact Small Businesses:

Startups and small businesses are particularly vulnerable to the proposed actions. Such companies rely on affordable and efficient maritime transport to import and export goods. The increased costs associated with high fees on Chinese maritime transport operators could disproportionately affect startups and small businesses, as they often have less flexibility to absorb additional costs compared to larger companies. Startups and small businesses could face significant financial strain, potentially leading to closures, reduced operations, weaker productivity, and less innovation. The proposed actions could also hinder their ability to compete in global markets, as higher shipping costs would make their products less competitive. The March 2025 Trade Partnership Worldwide study finds that the computer and electronic equipment sector suffers declines in exports in all scenarios of the proposed remedies because of the higher costs of exporting, ranging from a 5.31 percent to a 14.59 percent decrease in exports depending on the scenario.⁹

The Proposed Actions Will Impact Consumer Prices:

The proposed actions are likely to lead to higher consumer prices. According to the United Nations Conference on Trade and Development (UNCTAD), global consumer prices could increase by 0.6 percent by 2025 as shipping costs filter through supply chains.¹⁰ Vulnerable economies like small island developing states (SIDS) are expected to face an even sharper rise, with consumer prices climbing by up to 0.9 percent, threatening food security and economic growth. Analysts estimate the remedies considered will add between \$200-\$600 per TEU (Twenty-Foot Equivalent Unit) and

⁸ The Economic Effects of Proposed Port Fees on Chinese-Made Ships, Trade Partnership Worldwide (August 2024), <https://tradepartnership.com/wp-content/uploads/2024/10/Shipbuilding-Subsidy-Study.pdf>.

⁹ The Economic Effects of Proposed Action in the Section 301 Investigation of China's Maritime, Logistics, and Shipbuilding Policies and Practices, Trade Partnership Worldwide (March 2025), [Shipbuilding-Remedy-Study.pdf](https://tradepartnership.com/wp-content/uploads/2025/03/Shipbuilding-Remedy-Study.pdf).

¹⁰ Review of Maritime Transport 2024, UN Trade and Development (October 2024), <https://unctad.org/publication/review-maritime-transport-2024>.

these costs will be rolled into base rates. Should carriers not skip port stops, they will pass the costs to the customers.

The Proposed Actions Will Impact U.S. Manufacturing:

The proposed actions could have a detrimental impact on U.S. manufacturing. According to the March 2025 report by Trade Partnership Worldwide, the imposition of high fees on Chinese-built vessels could lead to increased costs for U.S. manufacturers who rely on imported components and raw materials. Imports of minerals would decline from a range of 1.06 percent to 21.49 percent, depending on the remedy imposed.¹¹ This would result in higher production costs and reduced competitiveness for U.S. manufacturers in global markets. Additionally, the increased costs and potential disruptions to the supply chain could lead to delays in production and delivery, further impacting the competitiveness of U.S. manufacturers.

The United States Should Collaborate with International Partners:

We recommend that USTR seek collaborative measures with international allies and partners to address China's practices collectively. This approach could help distribute the burden and prevent any one nation from bearing disproportionate economic impacts. CTA underscores that multilateral solutions are more effective in countering anti-competitive practices and ensuring a level playing field in the global market than unilateral actions by a single government.

The Administration Should Take Other Actions to Promote U.S. Shipbuilding Instead of the Proposed Actions:

As an alternative to fees on PRC-built ships entering U.S. ports, the USTR could explore other actions to encourage more shipbuilding in the United States. One such action could involve collaborating with international allies to promote investments in U.S. shipbuilding operations as a matter of national security. By fostering partnerships with countries that have robust shipbuilding industries, the U.S. can attract foreign direct investment, technology transfer, and expertise to bolster its domestic shipbuilding capabilities.

Additionally, the Administration could work with the Congress on policies that would enable both domestic and foreign companies willing to establish or expand shipbuilding facilities in the United States. These measures should incentivize and spur shipbuilding efforts, which would not only enhance the competitiveness of the U.S. shipbuilding sector but also create jobs and stimulate economic growth. U.S. technologies would be

¹¹ The Economic Effects of Proposed Action in the Section 301 Investigation of China's Maritime, Logistics, and Shipbuilding Policies and Practices, Trade Partnership Worldwide (March 2025), [Shipbuilding-Remedy-Study.pdf](#).

an essential component to reviving the shipbuilding industry in the United States. The Administration should work closely with the U.S. tech sector to ensure that our shipbuilding practices are as technologically sophisticated, scalable, and cost-effective as possible in order for our country to succeed in the competition with China.

Conclusion:

While the CTA supports efforts to address unfair trade practices, we urge USTR to consider the broader economic implications and to adopt measures that are balanced, targeted, and developed in cooperation with international partners. Our goal is to ensure that any actions taken will effectively address the issues without causing significant harm to U.S. commerce and industry. More, if the Administration implements any remedies, we urge it to provide a transition period or delayed implementation as businesses work to adjust to these changes

Thank you for considering our comments. We look forward to serving as a resource for USTR and the interagency on this important matter.

Sincerely,



Ed Brzytwa
Vice President, International Trade
Consumer Technology Association



Michael Petricone
Senior Vice President, Government Affairs
Consumer Technology Association