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ALLIANCE FOR AUTOMOTIVE INNOVATION

September 1, 2026

Ambassador Jamieson Greer
United States Trade Representative
The Office of the United States Trade Representative
600 17th Street NW
Washington D.C., 20508

Ms. Jennifer Thornton
General Counsel
The Office of the United States Trade Representative
600 17th Street NW
Washington D.C., 20508

Re: Section 301 Fees on Vehicle Carrier Vessels in Relation to USTR's Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance

Dear Ambassador Greer:

The American Automotive Policy Council,[1] Autos Drive America,[2] and the Alliance for Automotive Innovation respectfully submit this letter regarding the Office of the United States Trade Representative's ("USTR") implementation of measures arising from the Section 301 investigation into China's targeting of the maritime, logistics, and shipbuilding sectors for dominance.[3] Together, the authors of this letter represent all major domestic and international automakers with significant manufacturing, workforce, and investment footprints in the United States. Automakers are central to American industrial strength, innovation, and export competitiveness, and play a critical role in supporting U.S. jobs and economic growth. We strongly support the Administration's objective of revitalizing U.S. maritime industrial capacity and reducing dependencies on foreign producers for critical logistics infrastructure. We appreciate USTR's ongoing efforts to calibrate the Section 301 actions in a manner that advances

[1] The American Automotive Policy Council's members are Ford Motor Company, General Motors, and Stellantis.

[2] Autos Drive America's members are international automakers with operations in the United States: BMW, Honda, Hyundai, Kia, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Subaru, Toyota, Volkswagen, and Volvo.

[3] *See Notice of Modification of Section 301 Action: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance,* 90 Fed. Reg. 50,947 (USTR Nov. 11, 2025); *see also Notice of Proposed Modification of Action in Section 301 Investigation of China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance*, 90 Fed. Reg. 24,856 (USTR June 12, 2025); *see also Notice of Action and Proposed Action in Section 301 Investigation of China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance, Request for Comments*, 90 Fed. Reg. 17,114 (USTR Apr. 23, 2025); *see also Proposed Action in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance*, 90 Fed. Reg. 10,843 (USTR Feb. 27, 2025)

these goals while sustaining the globally integrated shipping operations that underpin the success of the U.S. automotive sector.

This letter relates specifically to the now paused $46 per vessel net ton service fee on foreign-built vehicle carrier vessels (also known as "roll-on/roll-off" (or "RoRo") vessels)—an action currently scheduled to resume effect on November 11, 2026. These fees are significantly higher and more burdensome than the fees proposed for other classes of vessels subject to the same Section 301 actions. If allowed to take effect, this measure will impose substantial and disproportionate costs on American-made cars and trucks without achieving its objective of expanding domestic RoRo production.

The U.S. automotive sector is a cornerstone of American manufacturing. American and international automakers directly employ approximately 600,000 workers and support more than 11 million jobs across suppliers, dealerships, and related industries.[4] Automobiles and automotive parts consistently rank among the largest categories of U.S. exports by value and remain one of the fastest-growing segments of U.S. trade. In 2024 alone, approximately $135 billion in autos and auto parts were shipped from U.S. ports—an 89 percent increase over the past 15 years.[5] Finished vehicle exports are particularly significant because they reflect high-value, U.S.-based production and assembly anchored in plants that rely on deeply integrated domestic supply networks. The ability to efficiently move these vehicles to international markets through reliable and cost-effective vehicle carrier service is essential to sustaining U.S. manufacturing output, preserving high-wage industrial employment, and maintaining the United States' position as a leading global automotive exporter.

Export markets are key to the American automotive industry long-term viability. Global markets allow for increased domestic production, which brings down the marginal cost to produce an individual vehicle, both bringing down the cost of new vehicles for American consumers and increasing automaker revenues which can be reinvested in their American operations. Vehicle carrier vessels are the only commercially viable means of exporting finished American-made vehicles to global markets. These RoRo vessels are purpose-built for automotive transport, with multi-level decks, reinforced ramps, and integrated loading systems that enable efficient, large-scale movement of finished vehicles from the U.S. to auto markets around the world. Approximately 15% of the U.S. annual new light vehicle production is exported, half of which is exported via seaport. This seaport export volume equates to the annual production of multiple U.S. automotive assembly facilities. If this export volume were to be curtailed, it would directly impact U.S. production volumes, and domestic new vehicle prices.

Critically, the economics of vehicle carrier shipping depend on integrated, roundtrip trade lanes—export-only routes are not commercially feasible. Inbound cargo on return voyages is

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[4] *See* American Automotive Policy Council, *State of the U.S. Automotive Industry* (2025) *accessible at* https://americanautomakers.org/sites/default/files/2025%20AAPC%20Economic%20Contribution%20Report_1.pdf; *see also* Autos Drive America, *International Automakers are Investing in US.* (2026) *accessible at* https://autosdriveamerica.org/issues/investing-in-us/

[5] *See* Alliance for Automotive Innovation, *Driving the U.S. Economy* (2024) *accessible at* https://www.autosinnovate.org/initiatives/the-industry#:~:text=Exports%20of%20$135%20Billion%20in,200%20Countries%20around%20the%20world.

essential to maintaining viable sailing frequency, optimizing routes and vessel availability, and keeping freight rates competitive. Accordingly, a vessel delivering U.S.-manufactured or assembled vehicles abroad must secure inbound cargo to sustain the route—meaning that fees imposed on inbound voyages directly burden U.S. export operations.

Imposing the currently paused Section 301 fees on vehicle carrier vessels arriving in U.S. ports would undermine the viability of vehicle carrier services to and from the U.S. Implementation of the service fee would materially constrain vessel availability and drive up shipping costs—undermining the automakers' ability to build cars in America and competitively export those vehicles. In practical terms, the Section 301 fees on RoRo vessels works at a cross-purpose to the Administration's onshoring and reshoring efforts. Absent the pause in fees requested, we believe that higher fees on RoRo vessels will suppress exports of high-value American-made vehicles, disrupting well-established supply chains and widening the U.S. trade deficit—the opposite of this Administration's stated trade policy objectives. These consequences would put high-wage American automotive manufacturing jobs at risk.

We appreciate the Administration's goal of onshoring production of ships, including vehicle carrier vessels. Our members would use American-made vehicle carrier vessels if they had the option. However, the reality today is that there is no meaningful commercial-scale vehicle carrier shipbuilding capacity in the United States. Only one commercial vehicle carrier vessel was constructed domestically between 2010 and 2023.[6] Developing U.S. capacity would require many years of substantial and sustained capital investment. The proposed Section 301 fees will not provide this funding or otherwise drive near-term reshoring of vehicle carrier vessel production. The fees would, however, impose an unavoidable cost burden on U.S. automotive producers. Cars produced outside the United States would not face this burden, and thus, the proposed fees place U.S. and automotive manufacturers at a structural disadvantage in global markets.

Moreover, the proposed treatment of vehicle carrier vessels is inconsistent with the underlying rationale of the Section 301 investigation. The investigation focused on China's non-market policies and practices that unfairly benefit the Chinese shipbuilding industry. Yet, unlike other vessel categories, USTR's proposal calls for fees on all foreign-built vehicle carrier vessels, including those constructed in allied countries that were never implicated in the investigation's findings. By expanding the remedy beyond Chinese-built vessels for vehicle carrier vessels only, the proposal departs from the investigation's objective and singles out vessels indispensable to U.S. automotive exports for uniquely harsh treatment.

Given the essential role vehicle carrier shipping plays in enabling U.S. automotive exports, and the significant risks the proposed Section 301 fees pose to the global competitiveness of American-made vehicles, we respectfully urge USTR to:

- maintain the current pause on the implementation of the Section 301 fees beyond November 11, 2026, or exempt vehicle carrier vessels from the scope of these fees; or

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[6] *See* Congressional Research Service, *U.S. Commercial Shipbuilding in a Global Context* (Nov. 15, 2023) *accessible at* https://www.congress.gov/crs-product/IF12534.

- at a minimum, impose fees on vehicle carrier vessels at the same level USTR has proposed for other types of maritime vessels.

These targeted adjustments to the Section 301 fees would avoid unintentional harm to U.S. automotive exports while allowing the Administration to continue advancing its broader maritime and industrial policy objectives.

We would be pleased to continue a dialogue on this critical issue. Please contact Nick Coutsos (ncoutsos@americanautomakers.org), Rory Heslington (rheslington@autosdriveamerica.org), or Hilary Cain (hcain@autosinnovate.org) with questions or comments.

Sincerely,

Governor Matt Blunt
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