

November 10, 2025



**The Link Between Grain and Goodness**

Jennifer Thornton  
General Counsel  
Office of the United States Trade Representative  
600 17th Street NW  
Washington, DC 20508

RE: Request for Comments on Notice of Modification and Proposed Modification of Section 301 Action: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance; Docket No.: USTR-2025-0017

Dear Ms. Thornton:

On behalf of our nation's grain millers, the North American Millers' Association (NAMA) welcomes the opportunity to submit comments to the proposed modification of Section 301 Action: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance, which would replace the language in Targeted Coverage article vii, effectively removing all exemptions for Canadian laker vessels.

NAMA represents millers of wheat, corn, oats, and rye across the continental United States, Puerto Rico, and Canada. Millers grind raw grains grown on the farm into flour, cereals, and other ingredients used to make a wide variety of food options that are affordable and available year-round. Located in communities across the country, our members serve as an indispensable link between raw grain and foods that have sustained and enriched people's lives for centuries. NAMA members are concerned that removing the "laker" exemption from the 301 tariffs would result in higher food prices for American consumers and for U.S. government procurement.

As you are aware, laker vessels are essential to the U.S. import and export of key bulk cargo within the Great Lakes region. The proposed modification would impose port fees ranging from \$250,000 to \$600,000 per port call on Canadian operators with Chinese-built vessels, with lakers performing up to 60 calls per year. These fees threaten to render established trade patterns unsustainable, resulting in significant cost increases for American companies—potentially 70% to 150% on shipping, and 25% to 75% on the products themselves. On some trades, these cost increases are unviable, and lakers will be forced to suspend trade routes, leaving many U.S. companies with no viable alternative to import raw grain or for their goods to reach other internal or international markets. For example, the proposal would impact the supply of wheat to U.S. flour mills in the Midwest and the Northeast impacting the operational efficiency of the mills and the cost of goods produced, including bread

and other bakery products. These mills have been situated on the Great Lakes for over 100 years specifically because of access to grain supplies and trade routes. These facilities employ Americans and support U.S. food manufacturers.

Oftentimes, supplies of soft red winter wheat grown in the United States are insufficient to meet domestic demand. Ontario typically ships 400,000 – 500,000mt (14.7 mil bu – 18.4 mil bu) of soft red winter wheat per year to the U.S. Approximately one-third of that grain moves via vessel.

While addressing unfair trade practices by China is critical to rebuilding American shipbuilding capacity, the proposed change risks adversely impacting beneficial regional trade patterns and supply chains. The Great Lakes fleet, including Canadian vessels, is a cornerstone of cross-border commerce, and penalizing these ships would disrupt supply chains, increase congestion on railways and roads, and unfairly burden U.S. millers who take great pride in being able to supply affordable, nutritious, and shelf-stable foods to the American consumer.

Many U.S.-based companies rely on maritime transport in the Great Lakes to carry essential goods from central and midwestern states across the Great Lakes to Canada, and vice-versa. Imposing tariffs on these ships because they were built in China at a time when it was not only acceptable but also encouraged will be counterproductive for the U.S. economy in the following ways:

- This measure will affect most Great Lakes vessels, reducing the cross-border trade that is the cornerstone of many states' economies. As a result, an increase in the cost of shipping dry bulk cargo of 70% to 150% can be expected, with these costs slated to increase year over year;
- Cargo will shift from short-sea shipping to rail and truck, causing supply chain disruptions, congestion, and higher emissions—undermining the Marine Highway system;
- The Great Lakes fleet is defined as the domestic ships, either U.S. or Canadian flagged, involved in the transportation of cargo, mostly dry and liquid bulk, cross-border in the Great Lakes. These ships, which visit U.S. ports much more frequently than most of their coastal counterparts (up to 60 times a year in the Lakes, versus a maximum of 10 times a year on the coasts), would be unfairly penalized by exaggerated port fees.

Whereas the U.S. Great Lakes ships all fall under the Jones Act requiring they be built in the U.S., many Canadian vessels, particularly over the past 14 years since the Canadian government removed import duties on foreign ships, have been built abroad, including in China. In fact, of the two leading Canadian shipping companies on the Great Lakes (CSL and Algoma), roughly 45% of the current combined fleet has been built in China, including new ships. Companies currently utilizing Jones Act

compliant ships for their transportation needs will be impacted by overall higher prices and reduced capacity.

We respectfully request the USTR to reconsider the proposed modification. Specifically, NAMA recommends USTR strike the lakers provision (targeted coverage (vii) under Annex II) from the text of the proposal. This will ensure that Lakers will be eligible for the same targeted coverage that applies to other vessels (Annex II) serving any other U.S. port, including:

- Vessels arriving empty or in ballast;
- Vessels under 80,000 DWT; and
- Vessels entering a U.S. port from a voyage under 2,000 nautical miles.

This approach would be well received by industry, and present a reasonable and rational path forward.

The USTR's initial approach sent a clear message to China while safeguarding essential trade routes. The changes proposed on October 10th risk collateral damage to U.S. interests and regional prosperity. We hope the USTR will consider these concerns and to preserve the integrity of Great Lakes shipping by giving lakers a chance to compete on a level playing field with international carriers. Thank you for your consideration and we welcome the opportunity to continue working with you and answer any questions.

Sincerely,

Kim Z Cooper  
Vice President, Government Affairs  
North American Millers' Association