



**Office of the United States Trade Representative  
600 17th Street NW  
Washington, DC 20508**

**March 24, 2025**

Docket No. USTR-2025-0003, Request for Comments Concerning Proposed Action Pursuant to the Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance

Dear USTR Representative,

I am writing on behalf of The Sulphur Institute (TSI) to provide comments on the proposed remedies under the Section 301 investigation into China's maritime, logistics, and shipbuilding sectors. As a trade association representing stakeholders that produce, consume, market, and distribute elemental sulphur and sulphuric acid, we are deeply concerned about the potential impact of the proposed remedies on our industry.

In 2023, according to the United States Geological Survey (USGS), the United States exported 1.9 million metric tons of elemental sulphur and 64,000 metric tons of sulphuric acid. During the same period, we imported 120,000 metric tons of elemental sulphur (excluding Canada and Mexico) and 900,000 metric tons of sulphuric acid (excluding Canada and Mexico). Almost all this volume of imports and exports were seaborne tonnes. Our industry typically ships Handymax or smaller sized vessels. These fees will affect our shipping costs on a higher percentage basis than larger vessels and represent a higher cost than the current shipping costs.

While we support a stronger U.S. maritime fleet, the timeline indicated for the proposed remedies will be detrimental to the sulphur and sulphuric acid industry. The proposed remedies, including service fees on Chinese vessel operators and Chinese-built vessels, could significantly increase the cost of transporting sulphur and sulphuric acid. These fees are likely to have several adverse effects on our industry:

1. **Increased Transportation Costs:** The additional fees will likely be passed on to consumers, increasing the overall cost of sulphur and sulphuric acid.
2. **Impact on Imports and Exports:** Higher transportation costs may reduce the competitiveness of U.S. sulphur and sulphuric acid exports, while also increasing the cost of imports.
3. **Supply Chain Disruptions:** The fees could lead to disruptions in the supply chain, affecting the timely delivery of sulphur and sulphuric acid.

Additionally, it is important to note that over 40% of the dry bulk fleet and over 20% of tank vessels are Chinese built. These numbers are expected to grow, with projections indicating that over 70% of all new builds for tankers and dry bulkers will come from China. With Chinese built vessels having a



significant market share, we would also expect freight costs for non-Chinese built vessels to also increase.

The efficient flow of elemental sulphur is essential for petroleum refiners to operate smoothly, and any disruptions in transportation could have significant impacts on refinery operations. Sulphur and sulphuric acid are necessary industrial inputs for the production of phosphate fertilizer; commodity chemical; copper and lithium mining; pulp and paper products; automobile tires and batteries and many other everyday items and uses like water treatment.

We urge the USTR to consider the potential negative impacts of the proposed remedies on the sulphur and sulphuric acid industry. We believe that a more balanced approach in line with US shipbuilders' ability to build vessels is needed to address the concerns raised in Section 301 investigation without causing undue harm to our industry and the broader economy.

Thank you for your attention to this important matter. We look forward to working with the USTR to find a solution that supports the U.S. shipbuilding industry while minimizing the adverse effects on the sulphur and sulphuric acid trade.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Vincent', with a stylized flourish at the end.

David Vincent  
Vice President, Outreach and Regulatory Affairs  
The Sulphur Institute