Reshaping Maritime Trade: Sweeping Administrative Actions and the Impacts on the Economy and Global Capital Projects

Anne Cochran, Moncerrat Cuellar, Jessica DeBoe, and Christina Leen

Faculty Advisor: Margaret Kidd

University of Houston

Abstract
U.S. maritime trade is entering a pivotal era of change. In 2025, new actions released by the U.S. government have redefined the rules governing ships, ports, and global cargo flows. The SHIPS for America Act, the USTR Section 301 Investigation, and Executive Order 14269 Restoring America's Maritime Dominance introduced fees, tariffs, and vessel requirements designed to reduce dependence on Chinese shipping while rebuilding U.S. capacity. These actions represent the most sweeping maritime reforms in decades. This research explains the sequence of events that lead to these actions, outlines the five annexes that anchor the new rules, and examines their implications on global capital projects. Furthermore, the possible impacts on one particular case- the Golden Pass LNG export project, will be explored to highlight the potential layered effects of these actions. This analysis considers the challenges of achieving maritime independence without harming America's role in global trade.

Figure 1: Timeline of U.S. Maritime Policy Actions (2024–2047).From the SHIPS for America Act to the 15% LNG mandate, the timeline shows how new trade rules roll out over two decades.

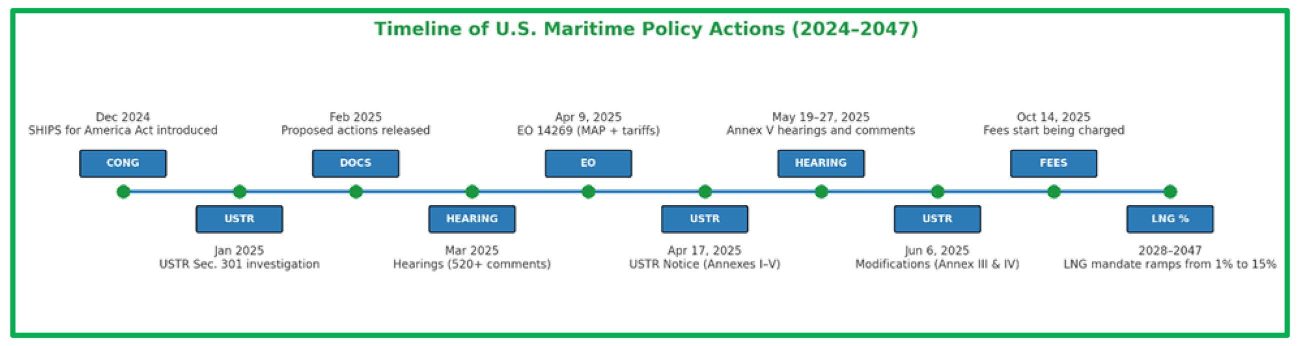

Figure 1: Student made Timeline of U.S. Maritime Policy Actions (2024–2047).From the SHIPS for America Act to the 15% LNG mandate, the timeline shows how new trade rules roll out over two decades. (*Public Hearings Commence on USTR Proposal to Increase Port Fee on Chinese Vessels and Operators*, 2025) (*Landmark Executive Order: Restoring America's Maritime Dominance*, 2025) (*USTR Announces Significant Fees on Chinese and Other Vessels*, 2025) (Office of the United States Trade Representative, 2025) (*USTR Proposes Modifications to LNG Tanker and Vehicle Carrier Actions*, 2025) (U.S. Department of State, 2025)

Key Maritime Actions
Beginning in January of 2025, the United States Trade Representative (U.S.T.R.) launched an investigation into Section 301 of the Trade Act of 1974. (Office of the United States Trade Representative, 2025) As a result of this investigation, the U.S.T.R. announced their proposed responsive actions in Annexes I, II, III, and IV. Following the release of Executive Order 14269, "Restoring America's Maritime Dominance," and the acceptance of public feedback and a two-day hearing on the initial proposed annexes, the U.S.T.R. released a notice for action plan on Annexes I-IV and proposed Annex V, which was response to the instructions put in place by the Executive Order. (U.S. Department of State, 2025) Annexes I-IV will go into effect on October 14, 2025. (*USTR Announces Significant Fees on Chinese and Other Vessels*, 2025) The SHIPS for America Act was reintroduced shortly after, with more proposed legislation furthering the administration push to reestablish US Maritime dominance. (U.S. Senate. Kelly, M., Young, T., Garamendi, J., & Kelly, T., 2024)

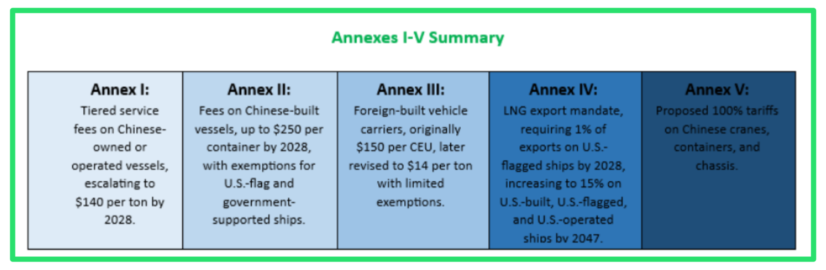

Figure 2: Student made Annexes I–V Summary: The most sweeping overhaul of U.S. maritime trade policy in decades. (*USTR Announces Significant Fees on Chinese and Other Vessels*, 2025) (U.S. Department of State, 2025)

Hearings and Modifications
The rollout of the annexes sparked extensive public hearings and debate. In March 2025, more than five hundred twenty comments were submitted. Labor unions and steelmakers praised the measures to create jobs and strengthen American industry. Exporters and energy companies, however, expressed concern that the rules would raise costs, disrupt supply chains, and make U.S. firms less competitive. (*Public Hearings Commence on USTR Proposal to Increase Port Fee on Chinese Vessels and Operators*, 2025)

As a result, the U.S.T.R. introduced revisions. Annex III was adjusted to exempt certain U.S. government vessels, shift fee calculations from car equivalents to net tonnage, and clarify that roll-on and roll-off carriers are included. Annex IV removed the threat of suspending LNG export licenses and shifted reporting requirements from terminals to vessel operators. (*USTR Proposes Modifications to LNG Tanker and Vehicle Carrier Actions*, 2025) Annex V, which applies tariffs to Chinese cargo equipment, went through its own round of hearings in May 2025 with final decisions pending. (*USTR Announces Significant Fees on Chinese and Other Vessels*, 2025) These adjustments demonstrate the tension between protecting national interests and avoiding harm to U.S. industries. Only time will tell if these revisions are enough to protect this balance.

Economic Impacts
In the LNG sector, the United States exported nearly 1400 cargoes in 2024, and exports are expected to double by 2030. Yet the requirement to move a share of LNG on U.S.-flagged and eventually U.S.-built vessels is a major challenge, since the country currently has no U.S.-built LNG carriers of its own. Without rapid investment in shipbuilding, compliance could delay projects, restrict exports, and weaken the position of the United States in global energy markets. (Tsvetana Paraskova, 2025) (Noble, 2009)

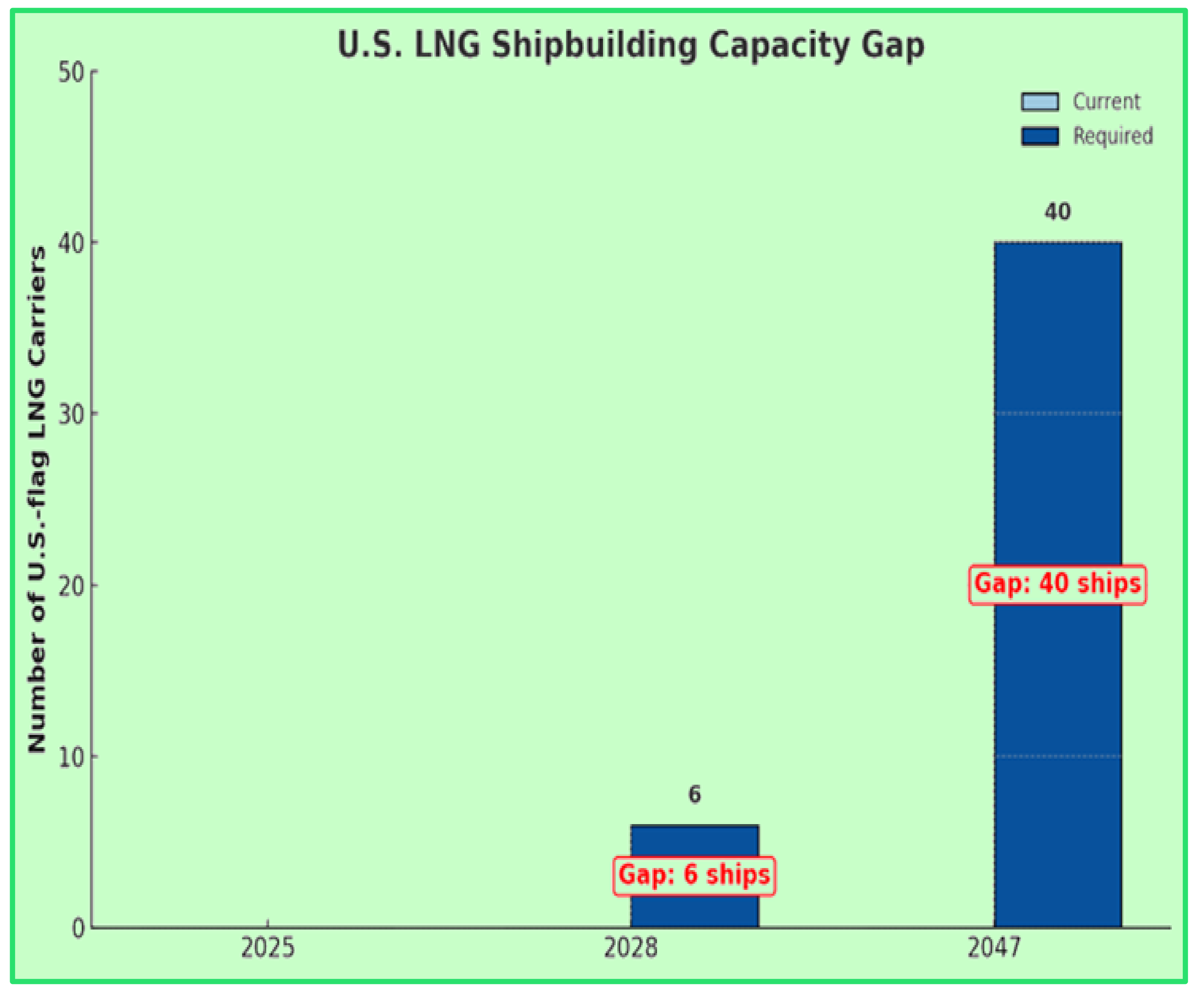

Figure 4: U.S. LNG Shipbuilding Capacity Gap. The student made chart shows the U.S. has 0 U.S. -built LNG carriers today, and will need about 6 by 2028, and as many as 40 by 2047 to meet the 15% quota. The 40 is a projection based on expected exports and ship capacity, meant to illustrate the scale of the gap rather than an official USTR figure (Tsvetana Paraskova, 2025)

In the auto and project cargo sector, fees on foreign-built vehicle carriers increase costs and may influence automakers to shift their supply chains or reconsider port choices. Even with exemptions for government cargo, industry costs are expected to rise.

For ports, the tariffs on Chinese cranes, containers, and chassis could slow modernization, since Chinese equipment currently dominates the market. This creates opportunities for U.S. shipyards and allied suppliers but raises near-term costs for expansion projects.

These impacts highlight the delicate balance between industrial policy and global competitiveness. (*USTR Announces Significant Fees on Chinese and Other Vessels*, 2025)

Impacts on Global Capital Projects
The new maritime rules have far-reaching consequences for infrastructure and energy projects worldwide. One affected material by this administration's sweeping actions is steel. Steel is a major component in almost all global capital projects- quite literally providing the framework for their success. Imports on steel have already faced much disruption, with the Section 232 tariff from 2018 raised to 50% earlier this year. (The White House, 2025) This, in addition to fees that will go in to affect in October from Annexes I and II regarding Chinese vessels, have the potential to dramatically affect established supply chains. Breakbulk cargo has notoriously low profit margins, with steel being no exception. (*What Is the Profit Margin of the Seamless Steel Pipe Industry?.* 2025) The impacts of a combination of tariffs and new fees on Chinese owned, operated, or built vessels will likely be great, and could delay or disrupt current projects as stakeholders scramble to find a resolution to a new problem.

Potential Disruptions: Golden Pass LNG Export Project
The Golden Pass LNG Export Project is a massive undertaking by investment partners QatarEnergy and ExxonMobil to that is set to bring hundreds of jobs to the Sabine Pass, Texas area by adding natural gas liquefication and export capabilities to the already existing terminal. This would bring clean power to the rest of the world from Texas, boosting the local economy and improving the US's ability to send gas to non-FTA countries, which would strengthen US trade and enhance energy security for allies. (*Homepage | Golden Pass LNG*, 2023) (*Statements | Golden Pass LNG*, 2024) Three liquefication process trains, which will liquefy natural gas in preparation for export, will be added. (*What Goes on at an LNG Facility? | Sightline Institute*, 2017) These liquefication process trains possess similar components to a household refrigerator, cooling product to for easier transport. This LNG product will be stored on site in five 155,000 cubic meter storage tanks, which contain a steel inner vessel. (CIMC ENRIC, 2022) The pipeline will be upgraded to handle bi-directional flow and improve system hydraulics, with receipt and redelivery of natural gas supply facilitated By two new compressor stations. This all calls for large quantities of steel. (*Export Project | Golden Pass LNG*, n.d.)

These new barriers have the potential to postpone construction as new suppliers are sourced. Originally , this project was expected to be operational in 2024. Additional delays cost money, as overhead costs exist even during idle times, and potential revenue is lost during periods where the project was expected to be profitable. (Helja Muinonen, 2025) While these government actions are meant to enhance the U.S. economy through increased domestic manufacturing and production, they also will likely hinder existing plans, frustrating allies and foreign investors.

Figure 5: Aerial Image of Golden Pass LNG Export Project as of 2023. (Golden Pass LNG, 2023)

Future Outlook
Looking ahead, the reforms present both opportunities and risks. With adequate investment in shipyards, workforce training, and maritime infrastructure, the United States could re-establish itself as a global maritime leader. Without those investments, however, the measures may create costly bottlenecks and unintended disruptions to current and future projects. Even with substantial investments, establishing the infrastructure will take time, which is not on the side of many players in the maritime industry.

The central question is whether the United States can achieve strategic maritime independence while maintaining its role as a competitive global trader. The answer will depend on how quickly capacity can be built, how flexibly policies are implemented, and how effectively the nation collaborates with allies.

Conclusion
The recent administrative actions of 2025 are reshaping U.S. maritime trade at a fundamental level. They aim to strengthen national security, reduce dependence on China, and rebuild American shipbuilding capacity. At the same time, they carry real risks for LNG exports, auto trade, port infrastructure, and global capital projects. The outcome will hinge on rapid investment, clear regulations, and cooperation between government, industry, and international partners.

The stakes are high. The policies introduced in 2025 will determine America's place in the global LNG market, the future of its ports, and the security of its supply chains for decades to come.

Sources