

Barbara L. Melvin
President & CEO



**SOUTH
CAROLINA
PORTS**

200 Ports Authority Dr.
Mt. Pleasant, SC 29464
scspa.com

June 26, 2024

The Honorable Katherine Tai
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

RE: Request for Comments on Proposed Modifications and Machinery Exclusion Process in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket ID: USTR-2024-0007)

Dear Ambassador Tai,

I am writing on behalf of the South Carolina Ports Authority (SCPA) to offer comments on the proposed 25 percent tariff on Chinese-built ship-to-shore (STS) cranes. SCPA owns and operates the Port of Charleston, Inland Port Greer and Inland Port Dillon, and serves as an economic driver, not only for the state of South Carolina but for the Southeastern region and U.S. as a whole. A recent study conducted by the University of South Carolina Moore School of Business found that the total economic impact of our state's ports system is over \$86 billion annually. This translates to supporting over 260,000 jobs related to the maritime industry alone – and one in nine jobs in the state. That is nearly \$18 billion in annual labor income.

The commerce afforded by our ports system is directly supporting world class companies and businesses, as our state continues to grow as a major global competitor for advanced manufacturing and other leading export-oriented industries. Over 70 percent of all cargo exported through South Carolina originates from companies located in the state. In a region projected to experience significant population growth, South Carolina is vitally important to the broader economy. This growth is a direct result of state, federal and private partnership investments in our port infrastructure to grow capacity and modernize port infrastructure. Each step is key to maintaining the competitiveness of U.S. ports and security of the critical industries we serve.

As we look ahead to the future of U.S. ports and infrastructure, we are diligently monitoring ongoing policy discussions that may impact our ability to invest in up-to-date equipment, improvements or other necessary changes. While the United States is focused on securing and onshoring supply chains to ensure that we do not fall behind, it is imperative that we continue to allow smart policy decisions to drive these efforts. Many industries remain limited in their access to necessary infrastructure or components, and U.S. ports are no different.

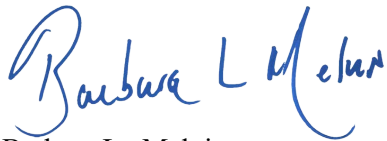
For these reasons, we are concerned about the proposed 25 percent tariff on the importation of Chinese-built STS cranes. SCPA appreciates the Administration's efforts to balance national and economic security priorities with commercial realities, and are grateful for the opportunity to offer our perspective on this proposal. We hope our concerns assist the agency in understanding the complexity of this issue and finding a solution that will not penalize U.S. seaports or delay further modernization efforts.

Currently, there is no domestic alternative to procuring STS cranes. The primary option for SCPA and other U.S. seaports are those produced in China, and while a small fraction are produced in Europe, the final product relies on components largely compiled from China and would also be subject to the proposed tariff. Further, realistically, it may take up to a decade for manufacturers in the United States to offer a comparable product.

Finally, SCPA is very concerned with the indirect costs of the proposed 25 percent tariff and how this will affect our ability to meet capacity and growth demands. It has been estimated that the Port of Charleston alone would incur approximately \$6 million per year from the proposed tariffs, while holding up the ability of other seaports and marine terminal officers to procure or install their equipment. And this price would likely rise in other ways as global prices for STS cranes increases as a result. As we continue to seek to advance our own competitiveness against our international partners, including Mexico and Canada along the East Coast, this cost will translate to longer wait times and increased dwell times for visiting container ships. Ultimately, American consumers, manufacturers and exporters will bear the burden.

Respectfully, on behalf of the South Carolina Port Authority, I ask you to reconsider the proposed 25 percent tariff on Chinese-made ship-to-shore cranes in the absence of a feasible alternative domestic manufacturer. Thank you in advance for your consideration of this perspective, and please do not hesitate to contact Tate Zeigler on my staff at TZeigler@scspa.org with any additional questions or concerns.

Sincerely,



Barbara L. Melvin