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LATEST NEWS

US coal exports stall over China ship fee plan

US coal export trading activity has come to a virtual standstill, as the industry awaits word on whether President Donald Trump's administration will impose fees of up to \$1mn on Chinese ships that dock in the US.

Negotiations on US coal, agriculture and other products "are coming to an absolute screeching halt", a long-time US coal industry consultant said today.

The impetus for the stoppage primarily is a [series of fees](#) the US Trade Representative (USTR) last month proposed for Chinese-built vessels, Chinese operators and shipowners with newbuild orders in Chinese yards calling at US ports. The proposal has been framed as part of an effort to limit China's ability to dominate the global maritime, logistics and ship-building sectors.

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Blockades cut Cerrejon coal output by 3mn t
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Atlantic basin		\$/t
Next 60 days	Price	±
US Gulf coast		
fob New Orleans 6,000 kcal 3%	63.55	+0.55
Mid-sulfur discount \$/lb/mmBtu*	0.25	-0.03
High-sulfur discount \$/lb/mmBtu*	0.08	0.00
US east coast		
fob Hampton Roads 6,000 kcal <1%	86.05-120.59	-0.39
Latin America		
Colombia (fob Puerto Bolivar) 6,000 kcal <1%	85.25	-1.25

*The mid-sulfur spread is the discount for 3% typical sulfur coal fob New Orleans to coal with less than 1pc sulfur. The high-sulfur spread is between petroleum coke with 4.5% and 6.5% sulfur.

FORWARD MARKET ASSESSMENTS

OTC prices		\$/st	
		Price	±
CSX <1% sulfur rail 12,000	Apr	73.75	0.00
	May	73.75	0.00
	2Q25	73.75	0.00
	3Q25	73.75	0.00
	4Q25	74.00	0.00
	2026	74.50	0.00
	2027	75.75	0.00
	2028	76.75	0.00
CSX <1% sulfur rail 12,500	Apr	77.50	0.00
	May	77.50	0.00
	2Q25	77.50	0.00
	3Q25	77.50	0.00
	4Q25	77.75	0.00
	2026	78.25	0.00
	2027	79.50	0.00
	2028	80.50	0.00
IL basin 3.15% sulfur 11,500	Apr	44.00	0.00
	May	44.00	0.00
	2Q25	44.00	0.00
	3Q25	44.20	0.00
	4Q25	44.20	0.00
	2026	44.50	0.00
	2027	45.25	0.00
	2028	46.25	0.00
PRB 8,800 rail	Apr	14.25	0.00
	May	14.25	0.00
	2Q25	14.25	0.00
	3Q25	14.25	0.00
	4Q25	14.25	0.00
	2026	14.30	0.00
	2027	14.70	0.00
	2028	14.90	0.00

*Tables include hyperlinks to those values maintained in the Argus database.

The fees would add as much as \$12/metric tonne on any coal exported out of the US, the coal industry consultant projected. Another industry source said the fees could add as much as \$20/t to exports loaded on Chinese-built ships or vessels operated by Chinese companies.

The fees would essentially lock the US out of the global coal market. The US is primarily a swing supplier, but it has strengthened its position over the last few years, in part because some countries are seeking alternatives to Russian coal or lower quality coal from other nations. US coal exports reached a six-year high of 97.6mn t last year, with shipments of thermal and metallurgical coal to Morocco and China reaching record highs of 5.43mn t and 11.3mn t, respectively, according to preliminary US Commerce Department data.

Prospective international coal buyers already appear to be turning to sources outside the US rather than risk paying more for transporting coal from US ports if the proposed fees are finalized.

An export deal failed this week because neither the buyer nor the seller wanted to accept the freight risk, the consultant said.

Another industry source heard that three possible sales to Morocco, business that has primarily gone to US sellers in recent years, has instead been awarded to South African producers. In addition, at least one Moroccan utility recently selected Colombian coal.

"Just the publicity around this potential action has already negatively impacted coal, causing disruptions in commercial discussions on new export contracts and delays in shipping coal under contracts already in place," the American Coal Council said in written comments [filed with the USTR](#). The fees would "kill the US coal export business" if implemented. Other nations have "coal reserves ready to take the market share of US coal exports".

USTR is scheduled to hold a public hearing on the proposal on 24 March.

If the fees are implemented, US coal exporters likely will struggle to find enough vessels that meet the requirements to avoid the fees.

The "onerous port call fees" would be prohibitive for Alpha Metallurgical Resources and its customers, the company said [in its comments](#).

Considering the vessels in the existing fleet available to US exporters, "the majority would be required to pay a fee of at least \$500,000 upon entry into a US port, with many qualifying

		\$/MWh		
	Timing	Gas	Coal, peak 10,000	Coal, off-peak 10,000
Indiana	Daily	2.02	-3.31	12.59
	Apr	21.50	16.09	5.54
	Summer	47.17	51.58	19.73
PJM	Daily	18.07	10.28	13.66
	Apr	27.45	19.32	7.47
	Summer	55.36	55.55	17.15
Southern Co. N. Illinois	Daily	-2.31	-5.42	7.85
	Daily	-11.80	-8.02	-7.28
	Apr	9.81	14.55	-0.40
Palo Verde	Summer	40.43	49.04	17.14
	Daily	0.89	-3.67	11.00
	Apr	24.31	-5.43	11.82
Mid-Columbia	Q2	24.69	61.35	28.30
	Daily	9.90	-0.64	7.96
	Apr	17.53	14.61	13.11
	Q2	8.43	53.46	21.01

for much larger levies under the proposed structure", Alpha said.

While many of the comments already filed by the coal, energy, agriculture, port and shipping sectors argue against the fees, a number of domestic shipbuilding, manufacturing and security sectors have argued in favor of the fees as a way to protect domestic shipping.

By Abby Caplan

Panamax freight rates to Rotterdam

\$/st

