INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

November 11, 2025

Ambassador Jamieson Greer
600 17th Street, NW
Washington, DC 20508

Attention: Public Comment to USTR Modifications to Section 301 Annex I
Docket Number: USTR-2025-0017

Dear Ambassador Greer:

The Independent Petroleum Association of America (IPAA) writes to recommend a clarification to the definition of "long-term charter agreement" in Annex I to ensure it is reflective of and consistent with customary business practices in the ship chartering industry. IPAA is a national upstream trade association representing thousands of independent oil and natural gas producers and service companies across the United States. Independent producers operate 95 percent of the nation's oil and natural gas wells and are responsible for 85 percent of US oil production and 90 percent of natural gas production onshore.

The proposed clarification to Section 301 Annex I Targeted Coverage is on page 30:

> "and is in service and entered into a long-term charter agreement (that is, 20 years or more, inclusive of all extension rights that are at the sole discretion of the charterer) prior to December 31, 2027, will be considered owned and operated by the charterer."

This alignment is crucial as ethane, LPG (propane and butane), and natural gas are all by-products of crude oil production, and each of these products require global market access to ensure the continued growth of American energy production. Limiting the export of U.S. ethane and LPG will directly harm energy dominance. American ethane and LPG supplies have exceeded domestic demand for over a decade and, currently, exceed domestic demand by more than 60% and 160%, respectively. Because there is insufficient domestic demand, these exports are essential to sustaining America's oil production. Every barrel of U.S. ethane and LPG exported facilitates three barrels of crude oil production. Without these exports, the U.S. would not be producing 13.6 million barrels of crude oil today.

Because U.S. ethane exports are a new market, there are only 29 vessels in the current fleet. While the proposed changes to Annex I will help, 17% of the current fleet will still be

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subject to Annex I fees. This will occur even though all these ships were in service prior to the first posting of Section 301 in February 2025. This will lead to U.S. ethane export curtailments.

Therefore, we respectfully request that the USTR consider exempting all ethane and LPG vessels "arriving empty or in ballast" from Annex I port fees if the vessel's in-service date is prior to December 31, 2027, regardless of ownership and control.

Thank you for your consideration of these additional clarifications to Section 301. These modifications will preserve the competitiveness of U.S. energy exports and American energy dominance while providing the U.S. shipbuilding industry a sufficient transition period to produce the large ship required to transport these products.

Sincerely,

Daniel T. Naatz
Chief Operating Officer
Independent Petroleum Association of America