TP report for week 38

	Summary	Supplement
TP News		**Source: enews@gccports.com, S&P Global**
1	**Most of Trump's global tariffs are not legal, US court says**	The tariffs will remain in place through Oct. 14 to give the Trump administration time to appeal to the U.S. Supreme Court. (Photo: Jim Allen/FreightWaves) Key Takeaways: In a setback for President Donald Trump's trade policy, a U.S. appeals court ruled Friday that most of the tariffs his administration imposed were unlawful. The U.S. Court of Appeals for the Federal Circuit, in a 7-4 decision, found that the emergency law Trump cited to impose his broad import tariffs did not actually give him the authority to levy them. The ruling could affect Trump's wide-ranging reciprocal tariffs announced on April 2, as well as tariffs imposed on China, Canada, and Mexico aimed at pressuring those countries to curb shipments of fentanyl into the United States. The court allowed the tariffs to remain in place through Oct. 14 to give the administration time to appeal to the U.S. Supreme Court. The Trump administration had relied on the International Emergency Economic Powers Act to argue that the president could impose country-specific tariffs at any level if deemed necessary to address a national emergency.
2	**DP World aims to run Carney-backed Montreal terminal**	DP World is seeking to operate a long-planned, nearly C$6 billion container terminal in Montreal that the new Canadian government is backing amid its shift away from US trade dependence. The Montreal Port Authority (MPA) is expected later this fall to announce the winning bid to run the Contrecoeur terminal, which with an annual capacity of 1.15 million TEUs would increase Canda's second largest container port by capacity 150%. DP World, which operates at Vancouver and Prince Rupert the first and third-largest ports in Canada respectively, confirmed to Bloomberg that it was involved in project negotiations. Since the port failed to attract a bidder in 2021,the Contrecoeur project has received C$130 from the Quebec provincial government and C$130 from Canada's infrastructure bank for construction Prime Minister Mark Carney last week said that he was seeking to fast-track the Contrecoeur project and highlighted newly passed legislation streamlining regulatory approval for major infrastructure projects. The project, which is located 43 miles downriver from legacy Montreal terminals along the St. Lawrence River, requires extensive dredging and shoring up portions of the waterway. The projected cost of the project has ballooned, with estimates just six years ago pegging construction at C$570 – a tenth of the current estimate. The MPA seeks to begin construction as early as October and open the facility in 2029. The authority in 2022 sent bid invitations to Axium Infrastructure Canada and Pomerleau Capital, Ports America Holdings, and Terminal Investment Limited, in which Mediterranean Shipping Co. owns a majority stake. The port originally planned to have the first phase of the project by 2024 and had identified three finalist but scrapped plans. DP World operates Centerm facility and solely operates at Prince Rupert and Port Saint John. Montreal's four existing container terminals are operated by two companies, Montreal Gateway Terminals Partnership and Termont Montreal.
3	**US ports look to Congress for tax breaks on replacing Chinese cranes**	US ports, looking to leverage national security concerns over Chinese-made cargo handling equipment, want tax breaks for purchasing domestic ship-to-shore cranes to be included in Congress 's next defense spending bill. With the 2026 defense authorization bill introduced this week, the National Association of Waterfront Employers (NAWE) asked Congress on Wednesday to include an amendment that would expand a tax-deferral program for purchasing US-built ships to include US-built cargo handling equipment. The amendment, originally introduced in June by Rep. Mike Ezell (R-Mississippi), would include cargo handling equipment as part of the Capital Construction Fund, which is overseen by the US Maritime Administration (Marad). The program allows ocean carriers and vessel operators to defer taxes on any funds set aside for buying or building a US-built ship. Similarly, Ezell's amendment would allow marine terminal operators to defer taxes on any funds set aside for US-built cargo handling equipment. NAWE, whose members operate at 16 US ports deemed critical for US defense, said in a statement the amendment would "allow the industry to safely and securely transition away from cargo handling equipment produced in China...(and)...sustain US military operations abroad."
4	**Trump taps two Floridians to serve on the FMC**	President Donald Trump has nominated two long-time Florida political operators to be the newest members of the Federal Maritime Commission (FMC). The White House on Wednesday sent the nominations of Laura DiBella and Robert Harvey to the Senate. DiBella, whose term would expire in 2028, would replace Louis Sola, who left the agency in June after serving as a commissioner since 2018 and chairman for about five months after being nominated by Trump. Harvey, whose term would expire in 2029, would replace Carl Bentzel, another Trump appointee to the FMC from 2019 who left the agency last year. FMC commissioners have five-year terms but can serve for longer periods until the president makes new nominations. DiBella is a government affairs advisor for Florida-based law firm Adams and Reese. Prior to that, she was president of business development for the state's Department of Commerce and led other economic development programs.
5	**Trans-Atlantic pricing weakens without year-end volume bump**	The absence of another bump of volume on the horizon for the rest of the year will further weaken the westbound trans-Atlantic trade despite fully utilized ships and low levels of blank sailings, shipping executives warn. Spot and contract rates are under pressure and US retailers' subdued expectations for the winter shopping season, as reflected by low single-digit volume growth, are adding to the uncertainty gripping the trans-Atlantic. "With long-term rates at an all-time low and moving sideways, short-term rates could slide in the near future," Destine Ozuygur, product marketing manager at rate benchmarking platform Xeneta, told the Journal of Commerce's European Shipping and Trade Outlook: The Trans-Atlantic webinar. Data from Xeneta shows long-term rates from North Europe to the US East Coast signed in the last three months falling to $627 per FEU by Sept. 8, down 42% since Jan. 1. The long-term rate has fallen 32% since June 30. Carriers slow to blank sailings through October amid uncertain outlook.
6	**Startups land collective $129 million in latest AI push into logistics**	A pair of venture capital investments totaling more than $100 million into startups providing artificial intelligence-based products for logistics providers is the latest example of AI sweeping into the domestic freight landscape. Workflow automation provider Augment on Thursday landed an $85 million funding round a day after fellow vendor Happy Robot snared a $44 million investment. Taken together, the $129 million represents a huge bet by investors that AI will be used by companies in the freight and logistics industry to improve productivity. Augment said the funding will be used primarily to hire more engineers to expand its ability to build AI agents, specifically targeting multimodal operations for brokers, shippers and carriers. The funds will also be used for sales and back-office automation, including pricing support and customer insights, and integrations with transportation management system (TMS) platforms and load boards. "Logistics runs on millions of decisions — under pressure, across fragmented systems and with too many tabs open," Augment CEO Harish Abbott said in a statement. Abbott co-founded Augment in 2024 after selling his previous venture, fulfillment technology provider Deliverr, to Shopify for $2.1 billion in 2022. Deliverr was later acquired by forwarder Flexport. Augment has raised $110 million in all. The Happy Robot investment will go toward growing the company's AI agent tools for freight brokers in areas such as appointment schedules, sales support and collections. "Our goal is for an AI workforce to handle all that manual coordination and execution so people can focus on the strategic work, relationships and exceptions that really drive value," CEO Pablo Palafox said in a statement.
7	**CN-CSX joint service to connect west Canada and Nashville**	Canadian National Railway and CSX Transportation are planning a new international intermodal service from Canada's West Coast into Nashville, expanding shipper options outside of the US Southeast. The signing of a memorandum by the two Class I railroads paves the way for a more direct, and thus, faster service and another option beyond routing in and out of the port of Savannah. The move is the latest integration between railroads amid the planned transcontinental merger of Union Pacific-Norfolk Southern, which would create the largest North American railroad. CN offers service from Canada's West Coast into Memphis but not into Nashville. The service would replace an approximately 200-mile truck trip for international containers from Memphis to Nashville, using CSX tracks. In an average year, about 20,000 ocean containers are railed from Vancouver to Memphis, according to a Journal of Commerce analysis of data from the US Surface Transportation Board, but with very little export cargo moving in the other direction. It's unclear how many of those containers remain in Memphis versus getting drayed to Nashville. CSX's Nashville terminal currently has inbound international service from the ports of Los Angeles, Seattle-Tacoma, Savannah and Charleston, with outbound service to Savannah and Charleston. In August, CSX announced plans to develop international intermodal routes with BNSF Railway from the West Coast to the Southeast.
TP Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**Ocean carrier profit margins, earnings outlook for 2025 trimmed further**	Ocean carrier earnings this year are expected to fall by more than half compared to last year, as profit margins slip to 2023 levels. And with vessel capacity outstripping demand for the foreseeable future, liner operators face the prospect of a loss-making 2026. Full-year 2025 earnings for eight publicly traded ocean carriers are expected to fall by an average of 61% compared to 2024, according to Capital IQ Estimates, a sister company of the Journal of Commerce within S&P Global. The consensus analyst estimates as of September mark a further ratcheting down from the 53% drop in 2025 earnings expected as of March 31. The downward revision comes after carriers reported second-quarter results and offered up dismal forecasts for the remainder of 2025. Out of all the carriers, only Maersk saw its earnings estimates revised upward after Chief Executive Vincent Clerc said its non-ocean logistics business would hit its 2025 profit margin targets. Investment bank HSBC said in a report on Tuesday that import frontloading during the second quarter will dampen demand throughout the rest of 2025. The investment bank added that as retail goods that came in ahead of tariffs get replaced with goods subject to tariffs, consumers could rein in spending, thus hurting further inventory replenishment. "We think tariff-driven cost escalation would suppress consumer demand while frontloadings from Q2 to early Q3 could retard retailer restocking cycles in H2," HSBC said. "In this context, we argue that carriers would face margin compression as they balance capacity cuts against softening demand in the rest of the year."
2	**Korean Steel Giant POSCO is Exploring Acquiring Control of HMM**	Speculation is being renewed over the ownership fate of Korean shipping company HMM, a year and a half after the deal to sell the company collapsed. In an exclusive report, The Korean Economic Daily writes that steel giant POSCO is drawing up detailed plans to buy control of the shipping company. The Korean Economic Daily reports that POSCO, which had previously been speculated as a potential suitor, has changed its strategy and now is interested in re-entering the shipping sector after deciding not to participate in the government auction in 2023 for control of HMM. POSCO was invested in Hanjin but sold the company in 1995. It reports that POSCO is searching for new growth strategies as it is facing a slowdown and the impact of U.S. tariffs on its steel business and batteries. A controlling stake in HMM has been held by two Korean banks, the Korea Development Bank and the Korea Ocean Business Corporation, since the 2016 government-led rescue of Hyundai Merchant Marine. The two government entities collectively hold over 70 percent of stock in HMM, but have been talking of privatizing the shipping company to redeploy taxpayer monies to other investments to grow Korean business. KDB, which owns an approximately 36 percent stake in HMM, is believed to be the leader in the privatization effort. The banks selected Harim as the preferred bidder last time, but the negotiations reportedly broke down in 2024 over a demand that the banks retain a say in the management of the HMM after the privatization. KDB is believed to be exploring starting a new round of bidding.
3	**Maersk Air Cargo expands freighter network to South America**	The cargo airline owned by ocean shipping giant A.P. Moller Maersk is operating aircraft to South America for the first time after initially focusing on the North America, Europe and Asia markets. Maersk Air Cargo began flying scheduled service from its hub at Greenville-Spartanburg International Airport in South Carolina to Bogota, Colombia, in March and from its other hub at Chicago-Rockford International Airport to Santiago, Chile, in May, Maersk spokesman Rainer Horn told FreightWaves in an email message. The routes are operated twice per week with Maersk-owned Boeing 767-300 cargo jets, with flying outsourced to Miami-based partner Amerijet, he said. A variety of commodities, including e-commerce orders, are carried on southbound legs, with return flights typically carrying perishable goods and flowers. The Maersk Air Cargo fleet consists of 10 767-300s and two Boeing 777 freighters — not including six Boeing 767-200 separately operated under contract with express delivery carriers, such as UPS, in Europe. In its dual capacity as an airfreight forwarder, Maersk also directly controls several Boeing 747-400 jumbo jets under a long-term charter service agreement with Magma Aviation. Amerijet has been providing pilots and routine maintenance for Maersk's air network operating between the U.S. and Asia since late 2022.
4	**Premier Alliance service halt latest sign of trans-Pacific demand downturn**	The Premier Alliance said Friday it is suspending its express Pacific South 5 service between eastern China and the US West Coast after only four months amid a drop in demand on the eastbound trans-Pacific. The move is the latest sign that bookings before an annual holiday slowdown in Chinese production are weaker than usual, presenting a challenge to carriers trying to stem a container spot rate bleed. Alliance members Ocean Network Express (ONE), HMM and Yang Ming gave no reason for the change in separate customer advisories, but it is possible the fall in trans-Pacific volumes amid US tariff uncertainty did not justify an express loop. The service provided a transit time of 14 days from Ningbo to Long Beach and 17 days from Qingdao to Long Beach. Instead, the Premier Alliance carriers announced additional port calls on four other trans-Pacific services. These comprise Ningbo on its PS4 service, Qingdao on the PS6 service, Pusan on the Far East Pacific North 2 and Norfolk on the US East Coast 2 services. The PS5 service was launched in June, but the carriers said the last sailing was by the 4,888 TEU NYK Constellation that left Qingdao Sept. 1 and was due to arrive at Ningbo Friday. The suspension comes as container lines are announcing more blanked sailings from Asia to the US as they attempt to boost spot rates ahead of China's Golden Week, which begins Oct. 1. Carriers are blanking at least five sailings this week compared to two last week and two in the week before, sources confirmed.
5	**US port fees could exceed $2B for Cosco, OOCL: HSBC**	Most container lines will avoid paying new US fees on port calls next month after switching out any Chinese-built ships from their services, while Cosco Shipping and subsidiary OOCL face a $2 billion hit in the first year, unless they adjust their networks, according to a new report from investment bank HSBC. Barring a trade deal with China or last-minute delays by the Trump administration, the US Trade Representative (USTR) will begin collecting fees on Chinese-built and -operated ships that call US ports from Oct. 14. The administration hasn't given any indications of postponing or easing the tariffs, a maritime attorney with ties to the White House who asked not to be identified told the Journal of Commerce, noting that US Customs and Border Protection has already been instructed to collect the fees. The fees on Chinese-built ships start at the higher of $18 per net ton of vessel capacity or $120 per container, while ships operated by carriers based in China face a fee of $50 per net ton. Both sets of fees escalate over the next four years as part of the Trump administration's attempt to boost US shipbuilding at the expense of China's industry. For Cosco and OOCL, which handle the largest share of containerized US imports from Asia, the tariffs equate roughly to $600 per FEU, according to the HSBC report.
TP Trend forecasts		
1	YML is more aggressive in reducing rate to absorb the cargo	
2	ZIM, MSC extend the rate and remian the same.	

3	ONE, KMTC increase $1000/F