



February 12, 2024

The Honorable Jennifer Granholm
Secretary of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Granholm:

As the leading maritime trade associations, a leading maritime company, and the only non-profit organization focused on sustainability of the U.S.-flagged maritime value chain, we are writing to urge the creation of a Sustainable Maritime Fuel Grand Challenge modeled after the Department of Energy's successful Sustainable Aviation Fuel Grand Challenge.

The maritime industry, like aviation, is crucial to the global economy – it is responsible for transporting critical goods, energy sources, and people by sea. This includes international, U.S. coastwise, and inland shipping, and everything from container ships to cruise ships, ferries, to smaller vessels engaged in towing, fishing, sightseeing, and recreation. Without the maritime industry, international trade would come to a standstill.

While the maritime sector is making significant strides in reducing carbon intensity through its own investments in energy efficiency technologies and solutions, the sector needs alternative, low- to zero-carbon emission fuels at commercial scale and competitive cost to further reduce our greenhouse gas emissions and ultimately reach carbon neutrality to meet the Biden Administration and International Maritime Organization's greenhouse gas emissions goals. Unfortunately, production and availability of these fuels is extremely low or nonexistent in the commercial market. Our sector needs the federal government to encourage or incentivize fuel manufacturers to meet the maritime industry's demand for sustainable and safe fuels that eliminate carbon emissions.

While we commend and appreciate the Administration's \$370 billion federal incentives support for clean energy infrastructure included in the *Inflation Reduction Act* (IRA), there remains a critical gap for sustainable maritime fuels as maritime fuels are excluded from several critical

federal incentives, including the Renewable Fuel Standard and the IRA's Clean Fuel Production Credit.

To achieve our shared global emissions reduction goals, it will take collaboration, focus, and short-term incentives to boost the production and availability of sustainable maritime fuels. The undersigned represent a collection of the leading U.S. maritime industry stakeholders, including cargo shippers, Jones Act vessel owners, cruise line operators, energy suppliers, port authorities, and recreational boaters who have been called to action by their respective members, and we are ready to partner with the Department of Energy to decarbonize the maritime sector. We thus ask for the U.S. government's support to help us in this critical initiative.

We look forward to serving as a partner in the federal agency-wide effort to reach the Administration's critical sustainability milestones. Thank you for your leadership and we urge you to consider supporting and developing a Sustainable Maritime Fuel Grand Challenge.

Sincerely,

John W. Butler
President and CEO
World Shipping Council

Kathy Metcalf
President
Chamber of Shipping of America

Jennifer Carpenter
President and CEO
American Waterways Operators

Mark Tabbutt
Chairman
Saltchuk

Kelly Craighead
President and CEO
Cruise Lines International Association

Jeff Wasil
Sr. Director Environmental Compliance
National Marine Manufacturers Association

David Cummins
Executive Director and President
Blue Sky Maritime Coalition

James H.I. Weakley
President
Lake Carriers Association

Cary Davis
President and CEO
American Association of Port Authorities

Frank Wolak
President and CEO
Fuel Cell and Hydrogen Energy Association

John Groundwater
Executive Director
Passenger Vessel Association