May 20, 2024

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

Dear Secretary Granholm:

As an ad hoc maritime industry alliance consisting of some of the leading maritime trade associations and the only non-profit organization focused on sustainability of the U.S.-flagged maritime value chain, we have written previously to urge the creation of a Sustainable Maritime Fuel Grand Challenge modeled after the Department of Energy's successful Sustainable Aviation Fuel Grand Challenge.

Our alliance appreciates the Department of Energy's (DOE) commitment to developing a Maritime Decarbonization Plan that will support the maritime sector's significant efforts to reduce carbon intensity through investments in energy efficiency technologies and solutions. There is no doubt that government and the private sector working together can deliver the best outcomes.

On this occasion, our alliance is writing to request that in developing its Maritime Decarbonization Action Plan, DOE recognizes the importance of Liquified Natural Gas (LNG) as critical to cutting ship GHG emissions now as we continue towards decarbonization in the maritime sector.

LNG is operationally proven, commercially viable, available and scalable now.[1] When compared to diesel, on a tank-to-wake (TtW) basis, LNG reduces GHG emissions by up to 28%, while nearly eliminating all sulfur oxide and particulate matter emissions.[2] Data from DNV's Alternative Fuel Insights show that there are over 500 LNG-fueled vessels on order due for delivery by 2028, which would bring the global fleet to well over 800 vessels with an additional 229 LNG-ready vessels also on order for delivery by 2028. On average, these ships have a 25-year lifespan, ensuring a consistent, wide-scale reduction in greenhouse gas emissions over several decades.

[1] SEA-LNG, *Decarbonisation: LNG offers a decarbonisation pathway for the global shipping industry now*, https://sea-lng.org/why-lng/decarbonisation/.
[2] Schuller, O., Kupferschmid, S., Hengstler, J., & Whitehouse, S. (2021). 2nd Life Cycle GHG Emission Study on the Use of LNG as Marine Fuel. Sphera Solutions GmbH.

Advances by engine manufacturers are being made to reduce methane slip with the latest engine designs reducing slip to below 1% with additional exhaust gas treatment trials looking to reduce that further. With these improvements on the horizon, and when taken together with the commitments made by the major suppliers on reducing fugitive emissions on the upstream Well to Tank component, further reductions to overall GHG emissions seem probable. Furthermore, ships designed with LNG engines and fuel supply systems are expected to be able to switch to bio- or synthetic-LNG in the future, with little or no modifications to the engine and machinery space.

For these many reasons, we ask that the Maritime Decarbonization Action Plan expressly recognize the critical role that LNG will play in the maritime sector as it phases out GHG emissions and while other alternate sustainable maritime fuels become more viable. Without clear recognition by DOE, our concern is that the community will miss the opportunity for real GHG reductions now—in what is considered the decade of action for maritime decarbonization—while we keep pushing towards our shared goals.

Thank you for your Department's commitment to working through the many challenges our industry faces as you develop the Maritime Decarbonization Action Plan. Please be assured that our group of leading maritime organizations is available to support your team as you continue this important work.

Sincerely,

Cary Davis
President and CEO
American Association of Port Authorities

Jennifer Carpenter
President and CEO
American Waterways Operators

David Cummins
Executive Director and President
Blue Sky Maritime Coalition

Kathy Metcalf
President
Chamber of Shipping of America

Kelly Craighead
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Cruise Lines International Association