

Testimony of

Kathy J. Metcalf

On behalf of the

Chamber of Shipping of America

Regarding

**“S. 881 - THE RENEWABLE FUEL FOR
OCEAN-GOING VESSELS ACT”**

Before the

**Senate Environment and Public Works
Committee**

September 10, 2025

Good morning Chairman Capito, Ranking Member Whitehouse and members of the Committee. My name is Kathy Metcalf and I am testifying on behalf of the Chamber of Shipping of America which represents 19 U.S. based companies that own, operate or charter oceangoing tankers, container ships, and other merchant vessels engaged in both the domestic and international trades. The Chamber also represents 19 other entities that maintain a commercial interest in the operation of such oceangoing vessels.

We appreciate the opportunity to provide testimony to you on the important issues addressed in the Renewable Fuel for Ocean-Going Vessels Act. We are supportive of this legislation taking into consideration points made later in our testimony including the need for a comprehensive strategy to promote the transition to alternative fuels.

Decarbonization in any sector is a challenge since it must take into account three key issues which are modification to the emission sources, development of new alternative fuels and the critical infrastructure to ensure the alternative fuels are able to be timely supplied to the emission sources. Marine vessels are no different in the fact that vessels must be built or modified to utilize alternative fuels, the fuels must be produced in sufficient capacity to meet the demand and infrastructure must be developed to ensure the alternative fuel can be delivered to the vessel in port. Marine vessels, however have a unique challenge in that the emissions sources (vessels) are moving literally all over the world unlike the stationary emission sources in other industrial sectors.

CSA has been actively engaged in discussions relating to the decarbonization of shipping at the global level, via the International Maritime Organization, and nationally with various industry coalitions and relevant Executive Branch agencies. For over 20 years, discussions have been ongoing as to how the global shipping industry can decarbonize to the degree and within an agreed upon timeframe. A number of variables need to be considered to progress in this area which are noted below which you may find valuable for future discussions given the jurisdiction of this committee.

Marine Fuels

The global marine industry in general is fuel agnostic. This principle is reflected in the many discussions ongoing at the international and national level given the marine industry's needs across all fuel types relative to supply and demand. However, specific shipping companies and energy producers are not fuel agnostic with individual cases focusing on what alternative fuel(s) will be available in sufficient quantity and which energy producers are in the best position to produce specific alternative fuels in the marketplace. Stating the obvious, there must be a sufficient quantity of alternative fuels in ports at which vessels call which requires a sufficient infrastructure to move the fuels from their point of production to ports. It is expected that hubs based on alternative fuel

types will vary across local/regional/national jurisdictions based on the variability of the marketplace.

The fuels currently being evaluated at this time for marine application include ammonia, hydrogen, methanol, LNG, LPG, biofuels and electric/hybrid. In parallel, marine engine manufacturers are developing propulsion systems that can utilize one or several alternative fuels but it is unlikely that one system could utilize all types of alternative fuels but for the current configuration for dual fuel vessels which can use conventional marine fuel oil or one of the alternative fuels listed above.

The Renewable Fuel for Ocean-Going Vessels Act

From our analysis, the bill would allow renewable fuels used in ocean-going vessels to generate and retain renewable identification numbers (RINs), putting marine fuel applications on an equal footing with fuel used in other applications already included in the renewable fuel program. Retained RINs create a real revenue stream that can be passed through to vessel operators and narrow the price gap between renewable fuels and conventional fuels. Expanding the current program to include marine fuels would provide a strong signal and incentive to producers and blenders to supply alternative (sustainable) marine fuels and access to these fuels in US ports. Incentivization programs, such as this, would accelerate decarbonization in covered sectors and leverage the existing renewable fuel program infrastructure. This expansion would also support domestic fuel production, fuel producers/suppliers, agricultural stakeholders and ports while at the same time advancing practical and real time emissions reductions.

As noted above, biofuels are but one option for alternative fuels across both land based and marine sectors. As such marine users will be in direct competition with land based users. While this is a positive for the producers of biofuels and those providing the base stocks for biofuels production, the availability of biofuels to a particular sector (land vs marine) in sufficient quantity is a continuing concern.

In addition, the technical issues associated with biofuels usage in marine engines must be addressed. Biofuels have a variety of profiles based on base stocks but marine engines must be designed for a specific fuel profile such that a specific marine engine would not be able to utilize biofuels across all profiles.

CSA supports passage of this legislation for the reasons noted above, but with the recognition that this is addressing but one aspect of alternative fuels production and incentivization.

Marine Vessel Operational and Voyage Characteristics

The universe of maritime transportation is broad and complex when viewed within the context of decarbonization and the need for availability of alternate

fuels under all operational profiles. Based on the number of variables that need to be taken account as described below, there is an urgent need to develop a transparent and predictable strategy and legal framework that enable vessel owners and operators to make an informed decision on each of these issues with a focus on engine and alternate fuel availability relative to their trading profiles.

Key considerations that need be taken into account by a ship owner or operator in developing an emissions reduction strategy for their particular fleet are as follows:

- 1) Trading patterns – some vessels have a fixed route with known ports while others, known as “tramp” vessels, are chartered by cargo owners and may call in any port, as determined by the charterer. In this respect, the alternate fuel type and availability determination for fixed route vessels, is more predictable than those on chartered vessels.
- 2) Vessel type – preferred alternate fuel type and propulsion systems will vary across the broad range of ship types, which include containerships, tankers, dry bulk carriers, passenger vessels, tug/barge units and inland harbor service vessels. This variation is a result of the power needs (known as maximum continuous rating) for each vessel type and may in fact vary within a particular vessel type based on the size and tonnage of the vessel.
- 3) Vessel age – older vessels’ propulsion systems are less likely to economically be retrofitted to comply with new emissions requirements than are newer vessels thus owners must answer the question as to whether it is economically feasible to upgrade existing vessels’ propulsion systems for a particular alternative fuel or retire the existing vessel and replace it with a newly built vessel.
- 4) US flag fleet considerations – considerations must be taken into account as to whether the US flag vessel will be engaged solely in domestic trade (the Jones Act fleet) or will be engaged in international trade. In the Jones Act fleet case, those vessels would only need to comply with US requirements while in the latter case relating to international trade, these vessels would need to comply with international requirements, even if the US decided to not adopt the requirements finalized by the International Maritime Organization.
- 5) Availability of engines suitable to use alternative fuels – considerations relative to this issue include the availability of dual fuel engines across all power requirements based on vessel type and size.

Shore Based Infrastructure

Having addressed the vessel and alternative fuels considerations above, the final critical piece of this puzzle is the need for sufficient shore based infrastructure to ensure the alternative fuel can ultimately be transported to the vessel. Failure to address this infrastructure issue would result in sufficient quantities of alternative fuels at its production point, vessels at the dock ready to purchase and use these alternative fuels, but no way to connect these two critical links leaving the alternative fuels stranded and the vessel equally stranded with no access to fuel.

Conclusions and Recommendations

- We support passage of S.881 as an important first step in incentivizing the production of a broad range of alternative fuels for marine vessel use.
- All alternative fuels, including biofuels, should be considered in developing the next generation of emissions reduction strategies for marine vessels.
- The marketplace supply and demand of alternative fuels development should be assessed based on the many variables to be taken into account by specific vessel owners and operators including vessel operational characteristics and voyage type variations.
- Infrastructure development is the key to aligning alternative fuels with the vessels that will use them and provides an excellent business case for the US to be a leader in the provision of alternative fuels to the global and domestic shipping industries.

Thank you for the opportunity to provide our testimony on S.881 and we look forward to answering your questions.