

Copenhagen 16 September 2022

The Honorable Alan Lowenthal
108 Cannon House Office Building
Washington, D.C. 20515

The Honorable Nanette Barragan
2246 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Lowenthal and Congresswoman Barragan,

On behalf of A.P. Moller – Maersk, we are writing to express our support for the Clean Shipping Act of 2022 ([H.R. 8336](#)). Passage of this bill would direct the U.S. Environmental Protection Agency to promulgate important regulations to reduce greenhouse gas emissions. We hope that we can maintain our continued dialogue to ensure that the bill sets standards that are both ambitious and attainable.

A.P. Moller – Maersk has worked on the decarbonization of the shipping sector for over a decade and we are committed to be net zero across our business and value chain by 2040 with 100% green solutions for our customers. We have also committed for all our new vessels to be capable of sailing on renewable fuels. This led us to order the first 12 large ocean-going container vessels capable of being operated on green methanol, to be delivered in 2024-2025. The biggest immediate challenge is the availability and cost competitiveness of the green fuels necessary to reach our targets. It is fundamental that leading governments, such as the U.S., and industry work together to address this long-term.

Sustainable transportation has an important role in the fight against climate change, with shipping accounting for approximately 3% of the world's total greenhouse gas emissions. We face a climate urgency and need zero-emission fuels and vessels to be deployed at scale over the next decade. Mandatory policies will help prompt this shift in decarbonization strategies, enabling the deployment of advanced zero-emission technologies and minimizing the risk for manufacturers and suppliers. Given the global nature of the sector, such policies should ideally be adopted at the global level in the International Maritime Organization and some solid progress has been made there. However, in order to demonstrate and accelerate the transition clear signals from leading nations such as the U.S. and regions such as the E.U. are needed, even if such measures are inherently regional in their reach.

A.P. Moller - Maersk welcomes the fact that the Clean Shipping Act of 2022 bases itself on a fuel lifecycle (so-called Well-to-Wake) and a carbon dioxide-equivalent (i.e. all relevant greenhouse gases). These two elements are fundamental to secure that regulations are future-proof and provide the right investment signals.

There is no doubt that the suggested pathway for carbon intensity standards in the Clean Shipping Act is very ambitious (e.g. lifecycle carbon dioxide-equivalent reductions of 45% from 2030). A.P. Moller – Maersk has set a 25% target of all cargo to be transported using renewable fuels by 2030. However, we also believe that this target could be higher if the right incentives for the production of cost competitive renewable marine fuels are in place and we hope that the U.S. will strive for securing precisely that in order to achieve a 45% reduction in 2030. As indicated in the opening paragraph, for H.R. 8336 to produce positive results, ongoing communication and a common sense approach is necessary.

The shipping industry is in the midst of a transition towards zero-emission technologies. Zero-emission solutions such as green hydrogen, green methanol, green ammonia, fuel cells, electric batteries, and wind power are ready to be commercialized to meet global demand. Some of these technologies will be better suited to specific shipping sectors whilst not applicable to others, and as such a decarbonization toolbox approach is the right way forward. However, government policy is required to create the economic environment for large-scale investment and establish a level playing field. A clear signal must be sent to the industry that zero-emissions shipping must replace fossil fuels. In addition, land-side infrastructure for producing and supplying cost-competitive zero-emission fuels and for providing zero-emission port technology will be a critical component of shipping's transition to a cleaner future.

As recently discussed, with His Excellency Alan Leventhal, U.S. Ambassador to the Kingdom of Denmark, the U.S. can and should continue to be one of the world's leaders in the fight against climate change. This can be done by combining strong national initiatives with a sustained global push at the International Maritime Organization as well as concrete progress on green corridors. The Clean Shipping Act of 2022 will help spur the development of the zero-emission vessel market and accelerate zero-emission research and demonstration across the maritime supply chain.

We are facing a climate emergency, we need bold action, and we urge Congress to pass this bill.

Sincerely,



Soren Skou
Chief Executive Officer

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