

MONTHLY REPORT for ICS

December 2024

NOTE TO THE READER: Reference to the Federal Register may be found at <http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>.

References to legislation may be found at <https://www.congress.gov> at the center of the page.

SHIPS for America Act

In mid-December, the Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act was introduced by Senators Mark Kelly (D-AZ) and Todd Young (R-IN) and Congressmen John Garamendi (D-CA) and Trent Kelly (R-MS). It is important to note the bi-partisan nature of the sponsors as a good indicator that the bill will see action in the next Congress. While introduced essentially as a place holder, the bill will be introduced in the new Congress which should be sworn in on January 3, 2025. As noted in previous monthly reports, the bill is a comprehensive set of proposals that seeks to reinvigorate the US shipbuilding and US international shipping industry through a variety of programs. It is expected that the bill will be referred to the Senate Commerce Committee and the House Transportation and Infrastructure Committee (and likely other House Committees) for further action once it is reintroduced in the new Congress.

The bill includes provisions as follows:

- Establishes the position of Maritime Security Advisor within the White House who would lead an interagency Maritime Security Board and focus on the implementation of a National Maritime Strategy.
- Establishes a Maritime Security Trust Fund that would reinvest duties and fees paid by the maritime industry into maritime programs and infrastructure development supporting maritime commerce.
- Establishes a national goal of expanding the US flag internationally trading fleet by 250 ships in 10 years through the creation of a strategic commercial fleet program to facilitate the development of a fleet of commercially operated, US flagged, US crewed and US built vessels that can operate in international commerce.
- Establishes a Rulemaking Committee on Commercial Maritime Regulations and Standards to streamline the current USCG rulemaking

process and standardize requirements for US flag internationally trading vessels in line with those requirements for non-US flag vessels trading internationally.

- Require US government-funded cargo move aboard US flag vessels.
- Require a portion of commercial goods imported from China be carried aboard US flag vessels starting in 2029.
- Expand the US shipyard industrial base by establishing a 25% investment tax credit for shipyard investments, transform the current Title XI federal ship financing program into a revolving fund and establish a shipbuilding financial incentives program to promote innovation.
- Establishes a US Center for Maritime Innovation to accelerate leadership in the next generation ship design, manufacturing processes and ship energy systems.
- Creates a number of programs to promote mariner recruitment and retention.
- Streamline the USCG's Merchant Mariner Credentialing System.

White House Sustainable Freight Workshop

In mid-December, CSA participated in the first ever White House Sustainable Freight Workshop, bringing together nearly 100 public and private stakeholders from across the freight sector to discuss a path forward to reducing emissions from the freight system. The White House released a summary of the workshop activities and recommendations which is quoted in part below.

[BEGIN QUOTE] Recognizing the critical importance of the freight sector and the associated challenge of reducing emissions to improve global and local environmental and public health impacts, the workshop convened Federal agency and White House staff alongside leaders representing the freight industry, civil society, and environmental justice organizations to realize the Administration's commitment to developing a national zero-emissions freight strategy.

The freight sector, including maritime, rail, and trucking, is a critical part of the Nation's transportation system, transporting more than 20 billion tons of freight worth more than \$18 trillion dollars annually. The economic impact of freight helps make it the largest source of climate pollution in the U.S. In the United States, the transportation sector (including the freight sector) is a leading contributor to local pollution, responsible for more than 50% of total NO_x emissions, over 30% of volatile organic compound emissions, and over 20% of particulate matter emissions, pollution that particularly impacts communities of

color and low-income families. Worldwide, the freight sector contributes approximately eight percent of greenhouse gas emissions. Historically, challenges to decarbonize the freight sector have been in part due to slow fleet turnover and associated acquisition costs.

Taking a holistic approach to freight sustainability, the Workshop presented opportunities to align as an integrated freight ecosystem across the maritime, rail, and trucking industries and builds on the Administration's 2023 National Blueprint for Transportation Decarbonization, the March 2024 release of a National Zero-Emission Freight Corridor Strategy, and the April 2024 announcement of the first-ever national goal to transition to a zero-emissions freight sector. The workshop also served as an opportunity to launch the Action Plans for the freight sector all stemming from the National Blueprint for Transportation Decarbonization.

The following actions were announced at Tuesday's workshop:

The Electrification Coalition, an industry consortium, and nonpartisan organizations, announced the launch and call to action of the Sustainable Freight Partners Group to align interests and coordination on the deployment of low to zero-emission freight solutions across the maritime, rail and trucking industries. The Group will serve as a critical platform to regularly convene on freight sustainability priorities, communicate the value of emission reduction solutions, and facilitate strategic visions on competitive and economic approaches across the freight ecosystem. The Department of Energy, along with its Blueprint agency partners, brought to life the recently announced modal action plans through results-driven discussions on measures for implementation on the top modal actions including scaling the production of low and zero-emission fuels for marine vessels through the "Sustainable Grand Maritime Challenge."

A Zero Emissions Freight Map developed by the Joint Office of Energy and Transportation and Atlas Public Policy presented over 700+ projects worth \$12.8 billion across the freight ecosystem for maritime, rail and trucks showcasing strong alignment with the prioritization of public and private investments through the 'all of government' National Zero-Emission Freight Corridor Strategy. Sixty-five percent of the investments in zero-emission freight were funded through industry, utilities, cities, and states where only 35% of the share is funded through the Federal government, demonstrating a strong commitment across the private and public sectors for freight sustainability. These projects will take hold over the next three to five years proving strong momentum and advancement in zero-emission technologies and infrastructure.

Participating organizations included:

• Alstom • **American Association of Port Authorities** • **American Bureau of Shipping** • American Short Line and Railroad Association • American Truck Association • A Public Power Association • Association of American Railroads • Atlas Public Policy • **BlueSky Maritime** • California Department of

Transportation• CALSTART• **Carnival**• **Chamber of Shipping of America**• CharIN• CN• Commercial ZEV• CPKC• **Cruise Line Industry Association**• CSX• Detroit/Wayne County Port Authority• East Yard Communities for Environmental Justice• Edison Electric Institute (EEI)• Electrification Coalition• EPRI• Exelon• FHWA• Forum Mobility• **Fuel Cell & Hydrogen Energy Association (Cummins)**• IKEA Supply Chain Operations• Innovative Rail Technologies• International Brotherhood of Electrical Workers• **International Bunker Industry Association**• **International Council on Clean Transportation**• Joint Office of Energy & Transportation• Little Village Environmental Justice Organization• Methanol Institute• Microsoft• Moving Forward Network• **MSC**• NADA• National Association of Truck Stop Operators• National Grid• Navistar/ International• NESCAUM• New Jersey Environmental Justice Alliance• Nikola• New Jersey Environmental Protection Agency• NREL• Ocean Conservancy• Pacific Environment• **Port Authority of New York and New Jersey**• **Port of Seattle**• Partnership Project• Penske• People's Collective for Environmental Justice• PG&E• Sierra Club• Smart Freight Centre• South Ward Environmental Justice Alliance• Southern Company• **Sustainable Maritime Coalition**• Tesla• TruCurrent• U.S. Department of Energy• U.S. Department of Transportation• U.S. Environmental Protection Agency• United Electrical, Radio and Machine Workers of America• Voltera• Volvo Trucks• Powering America's Commercial Transportation• Wabtec• Watco• Zeem Solutions (**BOLD text added by CSA highlights the maritime organizations which participated**). [END QUOTE]
