

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: September 13, 2023

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso
Chief Legislative Analyst



Council File No. 23-0002-S91
Assignment No: 23-09-0471

SUBJECT: Resolution to Support H.R.4024, the Clean Shipping Act of 2023, which would provide for the establishment of standards to limit the carbon intensity of the fuel used by certain vessels.

CLA RECOMMENDATION: Adopt Resolution (McOsker – Raman) to include in the City’s 2023-2024 Federal Legislative Program, support for H.R.4024, the Clean Shipping Act of 2023, which would provide for the establishment of standards to limit the carbon intensity of the fuel used by certain vessels.

SUMMARY

The Resolution (McOsker – Raman), introduced August 29, 2023, references the U.S. Environmental Protection Agency (EPA) which stated that carbon dioxide and other greenhouse gas (GHG) emissions are major contributors to global climate change. The EPA also stated, per the Resolution, that the global average temperature has increased about 1.8°F from 1901 to 2016. The Resolution notes that changes of one or two degrees in the average temperature of the planet can cause potentially dangerous shifts in climate and weather. The Resolution further notes that global emissions from all vessels account for about 3% of total GHG emissions each year.

The Resolution continues, identifying H.R.4024, the Clean Shipping Act of 2023, which would set a path to eliminate GHG emissions from all ocean shipping companies that do business with the United States. The Resolution notes that the bill aims to clean up the shipping industry, protect the health of port communities, address environmental injustice, and provide solutions to the climate crisis by giving the EPA the authority to regulate carbon intensity standards for maritime fuel. The Resolution further notes that the Clean Shipping Act of 2023 would incentivize industry and innovation to develop, scale, and deploy zero-emission shipping technologies as well as meet similar goals of City policy related to advocating for green shipping corridors and the Ports of LA and Long Beach’s Clean Air Action Plan (CAAP).

Therefore, the Resolution requests that the City support H.R.4024, the Clean Shipping Act of 2023, which would provide for the establishment of standards to limit the carbon intensity of the fuel used by certain vessels.

BACKGROUND

The Clean Shipping Act of 2023 would set a path to eliminate GHG emissions from all ocean shipping companies that do business with the United States. It would direct the EPA to set progressively tighter carbon intensity standards for fuels used by ships in order to reduce GHG emissions by 2040, consistent with the goals of the Paris Agreement to limit warming to 1.5 degrees Celsius. Specifically, the bill would direct the EPA to:

- Set carbon intensity standards for fuels used by ships. The bill sets progressively tighter carbon intensity standards for fuels used by ships consistent with a 1.5°C decarbonization pathway. These standards would require lifecycle carbon dioxide-equivalent reductions of 20% from January 1, 2027, 45% from January 1, 2030, 80% from January 1, 2035, and 100% from January 1, 2040.
- Set requirements to eliminate in-port ship emissions by 2030. By January 2030, all ships at-berth or at-anchor in U.S. ports would emit zero GHG emissions and zero air pollutant emissions.

The American Lung Association has found that the Los Angeles metropolitan area has among the worst smog pollution in the nation – and some of the worse air pollution, overall. A major contributor to this crisis is emissions from ocean vessels that operate out of the Ports of LA and Long Beach.

Ports of Los Angeles

The CAAP identifies strategies to reduce pollution from every source – ships, trucks, trains, harbor craft, and cargo-handling equipment. Since 2005, these strategies have resulted in emission reductions exceeding 85% for particulate matter, 50% for nitrogen oxides, and 95% for sulfur oxides. The governing boards of the ports of Los Angeles and Long Beach (the Ports) have approved the 2017 Clean Air Action Plan Update, which pursues aggressive clean air strategies for moving cargo through the nation’s busiest container port complex.

The Ports have also taken a proactive role in providing funds for various proposed emission-reduction projects through the Technology Advancement Program (TAP). The Ports’ TAP functions to accelerate the verification or commercial availability of clean technologies in the port market through evaluation and demonstration with the goal of reducing emissions. Successful TAP projects may potentially be utilized as new control measures or alternatives to existing strategies already outlined in the CAAP, or as additional GHG mitigation options for new projects.

DEPARTMENTS NOTIFIED

None

BILL STATUS

06/12/23	Introduced – House Committee on Energy and Commerce
06/16/23	Referred to the Subcommittee on Environment, Manufacturing and Critical Materials


Christopher Fields
Analyst

Attachment: 1. Resolution (McOsker – Raman)
2. H.R.4024, the Clean Shipping Act of 2023

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, the U.S. Environmental Protection Agency (EPA) states that carbon dioxide and other greenhouse gas (GHG) emissions are major contributors to global climate change; and

WHEREAS, the EPA also states that the global average temperature has increased about 1.8°F from 1901 to 2016. Changes of one or two degrees in the average temperature of the planet can cause potentially dangerous shifts in climate and weather; and

WHEREAS, global emissions from all vessels account for about 3% of total GHG emissions each year; if international shipping was its own country, it would rank sixth on the list of largest GHG emitters globally; and

WHEREAS, H.R.4024, the Clean Shipping Act of 2023 (Barragan), would set a path to eliminate GHG emissions from all ocean shipping companies that do business with the United States; and


WHEREAS, the bill aims to clean up the shipping industry, protect the health of port communities, address environmental injustice, and provide solutions to the climate crisis by giving the EPA the authority to regulate carbon intensity standards for maritime fuel; and

WHEREAS, the Clean Shipping Act of 2023 would incentivize industry and innovation to develop, scale, and deploy zero-emission shipping technologies as well as meet similar goals of city policy related to advocating for green shipping corridors and the Ports of LA and Long Beach's Clean Air Action Plan; and

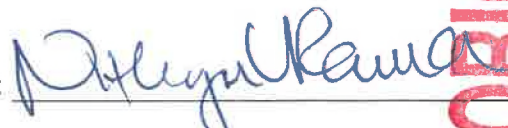
WHEREAS, Port communities nationwide have suffered too long from toxic air pollution – intentional public policy must meet the moment for residents' health:

NOW, THEREFORE, BE IT RESOLVED that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-2024 Federal Legislative Program SUPPORT for H.R.4024 (Barragan), which would provide for the establishment of standards to limit the carbon intensity of the fuel used by certain vessels.

PRESENTED BY:


TIM McOSKER
Councilmember, 15th District

SECONDED BY:



ORIGINAL

AUG 29 2023

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118TH CONGRESS
1ST SESSION

H. R. 4024

To amend the Clean Air Act to provide for the establishment of standards to limit the carbon intensity of the fuel used by certain vessels, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2023

Mr. ROBERT GARCIA of California (for himself, Ms. BARRAGÁN, Mr. HUFFMAN, Ms. BONAMICI, Mr. CLEAVER, Ms. TLAIB, Ms. NORTON, Ms. LEE of California, Mr. SCHIFF, Ms. SHERRILL, Mr. LIEU, Mr. GRIJALVA, and Mr. ESPAILLAT) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Clean Air Act to provide for the establishment of standards to limit the carbon intensity of the fuel used by certain vessels, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Clean Shipping Act
5 of 2023”.

6 **SEC. 2. MARINE ZERO GREENHOUSE GAS FUEL STANDARD.**

7 The Clean Air Act is amended by adding after section
8 212 (42 U.S.C. 7546) the following new section:

1 **“SEC. 212A. MARINE ZERO GREENHOUSE GAS FUEL STAND-**
2 **ARD.**

3 “(a) MARINE VESSEL FUEL CARBON INTENSITY
4 STANDARDS.—

5 “(1) STANDARDS.—The Administrator shall, by
6 regulation, require each vessel on a covered voyage
7 to comply with standards for the carbon intensity of
8 the fuel used by such vessel so that such carbon in-
9 tensity is—

10 “(A) in each of calendar years 2027
11 through 2029, at least 20 percent less than the
12 carbon intensity baseline;

13 “(B) in each of calendar years 2030
14 through 2034, at least 45 percent less than the
15 carbon intensity baseline;

16 “(C) in each of calendar years 2035
17 through 2039, at least 80 percent less than the
18 carbon intensity baseline; and

19 “(D) in calendar year 2040 and each cal-
20 endar year thereafter, 100 percent less than the
21 carbon intensity baseline.

22 “(2) PROMULGATION OF STANDARDS.—The Ad-
23 ministrator shall finalize—

24 “(A) the standard required by paragraph
25 (1)(A) by not later than January 1, 2026; and

1 “(B) the standards required by each of
2 subparagraphs (B) through (D) of paragraph
3 (1) by not later than 2 years before the respec-
4 tive standard goes into effect.

5 “(3) TECHNOLOGICAL OR ECONOMIC FEASI-
6 BILITY.—

7 “(A) IN GENERAL.—If the Administrator
8 determines that a reduction in carbon intensity
9 required under paragraph (1) is not techno-
10 logically or economically feasible by the applica-
11 ble deadline under such paragraph, the Admin-
12 istrator, in lieu of promulgating the standard
13 otherwise required by paragraph (1), shall pro-
14 mulgate a standard that will achieve the max-
15 imum reduction in the carbon intensity of the
16 fuel used by vessels on covered voyages that is
17 technologically and economically feasible by
18 such applicable deadline.

19 “(B) CONSIDERATIONS.—In determining
20 technological and economic feasibility for pur-
21 poses of subparagraph (A), the Administrator
22 shall take into account the net reduction of
23 emissions of greenhouse gases and potential ad-
24 verse impacts on public health, safety, and the
25 environment, including with respect to air qual-

1 ity, water quality, and the generation and dis-
2 posal of solid waste.

3 “(4) HARMONIZATION WITH INTERNATIONAL
4 STANDARDS.—If the Administrator determines that
5 standards mandated by the International Maritime
6 Organization for reduction of the carbon intensity of
7 fuel used by vessels for a calendar year are equally
8 or more stringent than the standards under para-
9 graph (1) for such calendar year, the Administrator
10 may adopt such standards.

11 “(5) EXEMPTION.—Any vessel that is on cov-
12 ered voyages for 30 days or fewer during a calendar
13 year shall be exempt from the standards promul-
14 gated under this subsection for that year.

15 “(6) COMMON OWNERSHIP OR CONTROL.—For
16 purposes of determining compliance with any stand-
17 ard established under this subsection, the Adminis-
18 trator may allow the carbon intensity of the fuels
19 used by vessels under common ownership or control
20 to be averaged.

21 “(7) OVERCOMPLIANCE.—The Administrator
22 may allow vessels to credit overcompliance with any
23 standard established under this subsection towards
24 demonstrating compliance with any future standard
25 under this subsection.

1 “(b) MONITORING AND REPORTING.—

2 “(1) LIST OF METHODS.—

3 “(A) IN GENERAL.—The Administrator
4 shall develop a list of acceptable methods for
5 monitoring and reporting compliance with the
6 standards established under subsection (a).

7 “(B) CONSISTENCY OF METHODS.—The
8 Administrator, to the maximum extent prac-
9 ticable, shall ensure the consistency of the
10 methods listed under subparagraph (A) with
11 similar reporting schemes developed by the Eu-
12 ropean Union and the International Maritime
13 Organization.

14 “(2) ANNUAL REPORTING REQUIREMENTS.—

15 For each calendar year, a vessel shall report to the
16 Administrator—

17 “(A) the carbon intensity of the fuel used
18 for each covered voyage;

19 “(B) the amount of fuel used for each cov-
20 ered voyage; and

21 “(C) the total greenhouse gas emissions
22 measured in carbon dioxide equivalent for all
23 covered voyages.

24 “(3) ANNUAL REPORT.—Not later than 6
25 months after the end of each annual reporting pe-

1 riod under paragraph (2), the Administrator, in con-
2 sultation with the Secretary of Transportation and
3 Commandant of the Coast Guard, shall publish a re-
4 port that—

5 “(A) compiles the data reported under
6 paragraph (2); and

7 “(B) includes an explanation intended to
8 facilitate public understanding of—

9 “(i) the carbon dioxide equivalent
10 emissions of vessels on covered voyages;
11 and

12 “(ii) the carbon intensity of fuels used
13 by such vessels.

14 “(c) ENFORCEMENT.—The standards established
15 under subsection (a) and the annual reporting require-
16 ments of subsection (b)(2) shall be considered an emission
17 standard or limitation for purposes of section 304(a)(1).

18 “(d) DEFINITIONS.—In this section:

19 “(1) CARBON DIOXIDE EQUIVALENT.—The
20 term ‘carbon dioxide equivalent’ means the number
21 of metric tons of carbon dioxide emissions with the
22 same global warming potential as one metric ton of
23 another greenhouse gas, as calculated using Equa-
24 tion A–1 in section 98.2(b) of title 40, Code of Fed-

1 eral Regulations, as in effect on the date of enact-
2 ment of this section.

3 “(2) CARBON INTENSITY.—The term ‘carbon
4 intensity’ means the quantity of lifecycle greenhouse
5 gas emissions per unit of fuel energy, expressed in
6 grams of carbon dioxide equivalent per megajoule.

7 “(3) CARBON INTENSITY BASELINE.—The term
8 ‘carbon intensity baseline’ means the average carbon
9 intensity of the fuel used by all vessels on covered
10 voyages in calendar year 2024.

11 “(4) COVERED VOYAGE.—The term ‘covered
12 voyage’ means any voyage of a vessel for the purpose
13 of transporting passengers or cargo for commercial
14 purposes—

15 “(A) that is between any ports of call
16 under the jurisdiction of the United States; or

17 “(B) that is between a port of call under
18 the jurisdiction of the United States and a port
19 of call under the jurisdiction of a foreign coun-
20 try.

21 “(5) GREENHOUSE GAS.—The term ‘greenhouse
22 gas’ means carbon dioxide, methane, nitrous oxide,
23 hydrofluorocarbons, perfluorocarbons, and sulfur
24 hexafluoride.

1 “(6) LIFECYCLE GREENHOUSE GAS EMIS-
 2 SIONS.—The term ‘lifecycle greenhouse gas emis-
 3 sions’ has the meaning given such term in section
 4 211(o).

5 “(7) PORT OF CALL.—The term ‘port of call’
 6 means the port where a vessel stops to load or un-
 7 load cargo or to embark or disembark passengers.

8 “(8) VESSEL.—The term ‘vessel’ means a vessel
 9 of 400 gross tonnage or more.”.

10 **SEC. 3. IN-PORT MARINE VESSEL ZERO EMISSION STAND-**
 11 **ARDS.**

12 Section 213 of the Clean Air Act (42 U.S.C. 7547)
 13 is amended by adding at the end the following:

14 “(e) IN-PORT MARINE VESSEL ZERO EMISSION
 15 STANDARDS.—

16 “(1) STANDARDS.—Except as provided in para-
 17 graph (2) and not later than January 1, 2026, the
 18 Administrator shall promulgate (and from time to
 19 time revise) standards to eliminate, by not later than
 20 January 1, 2030, emissions of greenhouse gases and
 21 air pollutants for which air quality criteria have been
 22 issued under section 108 from vessels at anchorage
 23 or at berth in the contiguous zone of the United
 24 States (as described in Presidential Proclamation
 25 7219).

1 “(2) EXCEPTION.—If the Administrator deter-
2 mines that standards required by paragraph (1) are
3 not technologically or economically feasible, the Ad-
4 ministrator shall promulgate standards that achieve
5 the maximum reduction of such emissions from such
6 vessels that is technologically and economically fea-
7 sible.

8 “(3) CONSIDERATIONS.—In determining tech-
9 nological and economic feasibility under paragraph
10 (2), the Administrator shall take into account the
11 net reduction of emissions of greenhouse gases, the
12 net reduction of emissions of air pollutants for which
13 air quality criteria have been issued under section
14 108, and potential adverse impacts on public health,
15 safety, and the environment, including with respect
16 to air quality, water quality, and the generation and
17 disposal of solid waste.”.

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