INTERNATIONAL MARITIME ORGANIZATION

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MARINE ENVIRONMENT PROTECTION COMMITTEE
84th session
Agenda item 7

MEPC 84/7/41
6 March 2026
Original: ENGLISH
Pre-session Public release: ☒

REDUCTION OF GHG EMISSIONS FROM SHIPS

Comments on document MEPC 84/7/30 related to Principles and Approaches to Shipping Emissions Reduction

Submitted by the United States

SUMMARY

Executive summary:	This document provides comments on the proposals in MEPC 84/7/30 (Algeria et al.) and presents policy positions that should guide any possible international regulation to reduce greenhouse gas shipping emissions, emphasizing affordability, availability, and scalability of fuels. Specifically, any framework must avoid economic penalties or levies, carbon taxes, or multilateral funds that would burden the shipping industry and its consumers. Regulations must not disadvantage any fuel types, including conventional fuels, LNG, nuclear, biomass-based fuels, or other marine propulsion technologies, and should welcome an "energy-all" approach. Any framework must ensure reliability for existing fleets and avoid disruption to global trade, with emissions reduction targets based on current market conditions rather than arbitrary end-state goals. Regional schemes such as the European Union Emissions Trading System (EU ETS) must be phased out to avoid duplicative frameworks. Finally, given the significance of any global emissions agreement, any GHG emissions regulation should use the explicit acceptance procedure for entry into force.
Strategic direction, if applicable:	3
Output:	3.2
Action to be taken:	Paragraph 10
Related documents:	MEPC 84/7/30, MEPC 84/7/38, MEPC 84/1/1; MEPC 83/17, MEPC 83/17/Add.1 and MEPC/ES.2/2

Background

1 This document is submitted in accordance with the provisions of paragraph 6.12.5 of the *Organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies (MSC-MEPC.1/Circ.5/Rev.6)* and provides comments on the discussion outlined in document MEPC 84/7/30 (Algeria et al.). That document discusses principles for an IMO Net-Zero Framework that can enable

consensus, and in doing so, offers an assessment of the current lack of consensus on the proposed IMO Net-Zero Framework, the procedures under which it was to be considered, and the need for a revised approach.

2 The previously proposed amendments to MARPOL Annex VI concerning the IMO Net-Zero Framework, as approved by MEPC 83 in April 2025, would have dire economic consequences for the shipping industry, energy producers, and global consumers. The framework would unwisely promote the use of expensive, unproven, and unavailable fuels in lieu of existing and proven technologies that fuel global shipping fleets. The IMO Net-Zero Framework would also stretch the Organization far beyond its mission, turning it into a global climate bank. Furthermore, planned recipients of the IMO-controlled fund could expect to receive pennies on the dollar compared to the economic hardship that the IMO Net-Zero Framework would create in their broader economic landscape. These significant shortcomings risk the reliability and stability of the international shipping industry, along with the global supply chains and economic activity which so heavily depend on shipping.

3 In October 2025, MEPC/ES.2 displayed severe divergence among Member States' views on the proposed amendments to MARPOL Annex VI, known as the IMO Net-Zero Framework. The decision to adjourn for one year paused the consideration of the IMO Net-Zero Framework, reflecting these significant unresolved concerns among IMO members about the proposal's direction and impacts. Multiple delegations have since submitted alternative proposals, including in document MEPC 84/7/38 (Argentina et al.).

4 Owing to its significant shortcomings and the clear lack of consensus, the United States remains strongly opposed to the IMO Net-Zero Framework. The United States concurs with the idea expressed in document MEPC 84/7/30 (Algeria et al.) that it would stifle ongoing debate and detract from constructive Member State-led discussions to proceed with further consideration of the adoption of the IMO Net-Zero Framework. The United States submits that the most appropriate path forward is to end consideration of the IMO Net-Zero Framework entirely and not resume MEPC/ES.2, currently adjourned until November 2026. This would be a logical development given the plethora of existing alternative proposals and clear lack of consensus over the IMO Net-Zero Framework, as demonstrated at MEPC/ES.2. After ending consideration of the IMO Net-Zero Framework, Member States could chart a new path forward which adheres to IMO's core mission and the spirit of collegial and collaborative discussion.

5 The United States maintains that, if IMO Member States choose to pursue international regulations or other approaches to reduce GHG shipping emissions, those efforts must be based on fundamentally different principles than those embodied in the IMO Net-Zero Framework. The United States submits this document with policy positions that could guide the development of any possible alternative GHG reduction proposals.

Discussion

6 Rather than pursuing a global GHG emissions scheme that would restrict energy types, the Organization should look to foster an environment of energy abundance and must avoid rigid mandates and economic burdens. Furthermore, the Organization must not set arbitrary targets in the future and try to reverse-engineer compliance, nor should it disadvantage any type of fuel. Specifically, the United States requests that any new proposal introduced at MEPC meet the following policy guidelines:

.1 No economic element: there must be no financial penalty, carbon tax, levy, or multilateral fund, or equivalent thereof. The United States will vigorously oppose any of the aforementioned levied by the Organization on the shipping industry. The United States will not tolerate an IMO-administered fund of any kind built on revenues from a global carbon tax or penalizing mechanism.

.2 No penalties or limits on fuel types: proposals should not have limits on conventional crude or diesel, LNG, nuclear, biomass-based fuels, or any other type of marine propulsion technology. Proposals should welcome an "energy-all" approach that does not restrict or constrain current or breakthrough fuel types.

.3 Ensure reliability for the shipping industry's existing fleet to avoid any disruption to global trade: proposals must eliminate penalties on LNG, recognize biofuels as viable marine fuels, and support industry-led advances in alternative fuels and other technologies without picking "winners and losers" via regulations.

.4 Mandatory withdrawal/phaseout of any existing regional shipping emissions reduction scheme, including the European Union's ETS: Member States and regional organizations must commit to terminating their existing regional schemes to avoid a duplicative system of frameworks/agreements. Proposals should not impose additional layers of carbon trading or pricing in the existence of aggressive European Union schemes.

.5 Use of explicit acceptance procedure: considering the significance of a global shipping agreement, and the potential impact on the shipping and energy industries, the explicit acceptance procedure for entry into force should be used. The tacit acceptance procedure, whereby Member States' support is assumed unless otherwise so stated, is not appropriate given the magnitude of the issue.

7 In order for the Committee to give due attention to potential paths forward – to the principles and positions put forward in document MEPC 84/7/30, in this document, in other submissions from Member States and industry, and in interventions at the upcoming MEPC 84 – it would be appropriate and sensible for this Committee to decide, on reflection, against resuming MEPC/ES.2 adjourned last October:

.1 Resuming discussion of an NZF proposal that yielded extreme diverging views and strong opposition, and that would invariably do so again, would not be a constructive use of this Committee's time and resources.

.2 Moreover, the proposed amendments to MARPOL Annex VI concerning the IMO Net-Zero Framework that were before the Committee at MEPC/ES.2 could no longer be adopted in any event. The IMO Net-Zero Framework was predicated on a March 2027 entry into force date that can no longer be met given the time periods for consideration set forth in Article 16 of the MARPOL Convention. Additionally, the necessary implementing guidelines called for by the IMO Net-Zero Framework proposal have not been and could not be developed in a timely manner, let alone agreed.

.3 The Committee, like any IMO organ, has the jurisdiction, within the bounds of the IMO Convention, to decide its own agenda and order of business.[*] The decision to adjourn MEPC/ES.2 by one year gave Members of this Committee a period to reflect and consider potential ways forward. It did not bind the Committee to picking up exactly where MEPC/ES.2 left off if, on reflection and after a decision at a future meeting, there is a more constructive path forward.

.4 The appropriate time and place to take that decision is at MEPC 84 during the Committee's discussion of agenda item 14, "Work programme of the

[*] See, e.g. Rule 13 of the MEPC Rules of Procedure, MEPC.1/Circ.919 (12 May 2025), providing that, "any item …, consideration of which has not been completed at that session, shall be included in the agenda of a subsequent session *unless otherwise decided by the Committee*" (emphasis added).

Committee and subsidiary bodies". In document MEPC/84/1/1, the Secretariat sets forth annotations to the provisional agenda and states that the Committee will be "invited to consider options regarding the resumption of the second extraordinary session". This includes the option of not resuming MEPC/ES.2 at all.

.5 It is the view of the United States that MEPC 84 can recognize by consensus that the most appropriate and constructive path forward is to end consideration of the flawed IMO Net-Zero Framework proposal and, instead, devote its attention to considering alternative proposals in line with the foregoing policy positions.

Proposal

8 In view of the flawed approach of the IMO Net-Zero Framework and the submission of new alternative proposals, Member States are invited to decide against resuming the second extraordinary session of the MEPC, and to consider the policy positions set out in paragraph 6 to inform any possible future GHG emissions approach.

9 As evidenced by the clear lack of consensus and many critical issues with the proposed IMO Net-Zero Framework, a new approach to global shipping emissions is essential. Rather than placing unnecessary financial and logistical burdens on the shipping industry, with impossible-to-achieve fuel mandates, the IMO must return to its core mandate. The policy positions discussed in paragraph 5 reflect a pragmatic, market-based approach that prioritizes energy abundance, technological neutrality, and economic viability for the global shipping industry, while supporting genuine emissions reductions through industry-led innovation and commercially available solutions.

Action requested of the Committee

10 The United States reiterates its opposition to the IMO Net-Zero Framework and invites the Committee to:

.1 consider the policy positions in paragraph 6 in any possible alternative proposals for regulations to reduce GHG emissions in the international shipping sector;

.2 decide for the reasons set forth in paragraph 7 not to resume MEPC/ES.2; and

.3 take action as appropriate.

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