

Congress of the United States
House of Representatives
Washington, DC 20515
June 26, 2025

The Honorable Jamieson Greer
Ambassador
Office of the U.S. Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Greer,

I write to express my deep concern over the International Maritime Organization's (IMO) advancement of a global carbon pricing framework and the broader implications it poses for U.S. economic competitiveness, trade policy and national security. Despite strong U.S. opposition, on Friday, April 11, the IMO Council voted 63 to 16 to advance the proposal for final adoption at the IMO Marine Environment Protection Committee (MEPC) session this October. This decision raises serious concerns not only about the inflationary nature of the framework, but also about its potential to distort global trade, undermine U.S. maritime interests and exacerbate foreign industrial advantages, particularly for China.

Just days before the vote, the U.S. Department of State issued a formal communication to IMO member states warning that the proposal would "impose substantial economic burdens on the sector and drive inflation globally." The Department further described the measure as "foremost an effort designed to redistribute wealth under the guise of environmental protection." Given the undue economic harm it would impose on American consumers, the State Department made clear that the United States would consider "reciprocal measures so as to offset any fees charged to U.S. ships and compensate the American people for any other economic harm from any adopted GHG emissions measures."

While its unjust economic impacts are troubling, its threat to U.S. national security is even more alarming. The U.S. Trade Representative recently determined that China's state-directed targeting of the global shipbuilding industry through non-market practices is actionable under U.S. trade law. The IMO's carbon pricing framework would further this threat by penalizing vessels based on their emissions profiles, incentivizing the premature retirement of seaworthy ships and driving demand for new construction. This artificial market distortion would disproportionately benefit China, the world's largest shipbuilder, further entrenching its dominance in a sector that is vital to U.S. strategic national security interests.

Despite its long-standing opposition to binding environmental mandates, China voted to advance the IMO carbon pricing framework. This support reflects not a newfound commitment to climate action, but a calculated effort to capture global shipbuilding demand through regulatory manipulation disguised as environmental policy.

The implications for U.S. industry and national security are profound. The IMO framework, as currently structured, will erode export competitiveness, inflate shipping costs for American producers and consumers, and directly undermine bipartisan efforts to rebuild U.S. sealift capacity and reassert global maritime dominance. In addition, applying the carbon pricing framework globally instead of regionally, risks creating significant economic distortions, such as unintentionally shifting cargo from maritime transport modes like short-sea shipping, which already offer a cleaner alternative to land-based options not subject to any carbon tax. These unintentional shifts would further reduce U.S. export competitiveness and contribute to additional inflation. Without considering the specific environmental efficiencies of such services and the unique characteristics of certain geographic regions, the IMO's framework could inadvertently drive cargo transport toward more polluting modes, ultimately undermining the very environmental objectives it seeks to achieve.

Accordingly, I urge the Office of the United States Trade Representative to:

1. Treat the IMO carbon pricing framework as a continuation of the non-market tactics identified in the completed Section 301 investigation into China's shipbuilding sector, and incorporate its implications into future trade enforcement and response strategies;
2. Ensure that all future trade negotiations take into account each country's vote on the IMO carbon pricing framework, as supporting it aligns those nations with China's non-market-based industrial strategy and will result in consequences, including restricted access to the U.S. market or reciprocal tariffs; and
3. Formally oppose the advancement of the current IMO carbon pricing proposal and work with like-minded countries to establish coordinated trade strategies that protect U.S. maritime interests. A blanket carbon pricing framework risks penalizing efficient maritime services like short-sea shipping, creating market distortions that undermine U.S. competitiveness.

I am committed to working with your office to ensure that international trade policies are implemented in a way that protects U.S. industry and prevents foreign industrial consolidation. Thank you for your continued leadership in promoting trade policies that defend American workers, industry and strategic interests.

Sincerely,



Vern Buchanan
Member of Congress