

**AGREED MINUTES OF THE  
UNITED STATES – PANAMA MARITIME BILATERAL DISCUSSIONS**

May 14, 2018  
Washington DC

Delegations from the United States Maritime Administration (MARAD) and the Panama Maritime Authority (PMA) held a bilateral maritime consultation at the U.S. Department of Transportation in Washington, DC, on May 14, 2018. The United States delegation was led by U.S. Maritime Administrator, Rear Admiral Mark H. Buzby and the Panama delegation was led by Panama Maritime Authority Administrator, Jorge Barakat. The delegations shared perspectives and information on a range of topics, including update on effects of expanded Panama Canal, port infrastructure development, mariner training, autonomous vessels and maritime security. The Panama delegation included representatives from the Panama Maritime Authority. The U.S. delegation included representatives from MARAD, the U.S. Department of State (DOS), U.S. Coast Guard (USCG) and Federal Maritime Commission (FMC).

Maritime Administrator Buzby extended a warm welcome to the Panama delegation, citing significant advances in the U.S.-Panama maritime relationship and welcomed the opportunity to further engage and discuss maritime issues that are critical to both countries. Administrator Barakat expressed gratitude to the Maritime Administration for hosting the meeting and he noted Panama had been grateful that Administrator Buzby had attended the IMO Parallel Event and Panama ship registry 100 years' celebration last year in Panama City, Panama.

*Update on effects of expanded Panama Canal*

The U.S. presented the Panama Canal's expansion impact on U.S. ports. U.S. port impacts include a notable increase in the size of container ships (14,000+ TEU) places into regular Asia-U.S. East Coast service and record breaking cargo volumes at many U.S. East Coast ports. The Canal expansion has reduced the travel time for U.S. liquefied natural gas (LNG) exports. The Panama Canal expansion inauguration aligned with the commencement of large scale LNG exports from U.S. Gulf Coast liquefaction terminals. Panama commented on how transshipments in Panama have decreased since the expansion due to the bigger vessels crossing the Canal. On April 17, 2018, the Panama Canal had the first three LNG crossings in one day.

*Port infrastructure development*

The Panama delegation gave a presentation on their port infrastructure developments like the new LNG terminal, first of its kind in Central America, on the Atlantic that will open in a couple of months and the \$165 million cruise terminal that is currently in the dredging phase. In the U.S., many East and Gulf Coast ports have already completed projects to accommodate larger container ships. There are several Federal infrastructure investment programs that have contributed towards constructing necessary port and related freight infrastructure.



### *Mariner Training*

Both countries agreed that a thriving maritime industry depends on well-trained mariners. In the U.S., there are seven world-renowned maritime academies; these include the Federal Merchant Marine Academy (USMMA) located in Kings Point, NY and six state-funded Regional maritime academies located in Maine, Massachusetts, New York, Texas, California, and Michigan. Both countries agreed that mariner training and education are very important. Panama has two merchant mariner training academies from which approximately 100-120 mariners graduate each year.

### *Autonomous Vessels*

There was mutual interest in autonomous vessels and the impact these will have on international trade. MARAD has established a formal working group that is keeping all interested offices informed on developments in the maritime autonomous technology area. Both the U.S. and Panama are looking forward to continuing this topic and exchanging ideas as they recognize that autonomous vessels policy will need to be developed in the near future.

### *Maritime Security*

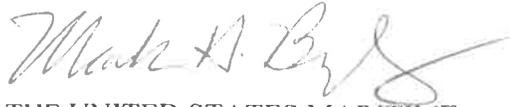
Combatting piracy and terrorism operations are important to both countries for ensuring maritime security. In addition to traditional physical threats, the potential for cyber-attacks is now also a major challenge. The U.S. and Panamanian representatives agreed that a high priority is ensuring vessel systems have resiliency to resort to manual or other alternative operational functions in the event of a cyberattack.

On December 29, 2016, the U.S. Government implemented a new streamlined interagency approach to communicate with U.S. maritime industry stakeholders regarding potential maritime security threats. This new approach establishes a single consolidated U.S. Maritime Advisory System for issuing U.S. Maritime Alerts and U.S. Maritime Advisories. Panama discussed their alert system that allows them to track vessels that go into sanctioned countries, providing visibility and more security for Panama flag vessels. They also mentioned that the USCG provides training and recommendations to Panama on port security. Panama also recognized the good relationship PMA has with its terminals and the officers which allows them to protect their facilities as a team.

At the conclusion of the meeting, both countries thanked each other for a productive discussion and commitment to continue the dialogue to advance mutually agreed maritime priorities. Panama invited the U.S. delegation to continue the cyber security dialogue and to demonstrate their safety inspection information in late 2018 at the next U.S.-Panama Bilateral Maritime Discussions in Panama City, Panama.



Done in Washington D.C. on May 14, 2018.



FOR THE UNITED STATES MARITIME  
ADMINISTRATION  
**MARK H. BUZBY**  
Administrator



FOR THE PANAMA MARITIME  
AUTHORITY  
**JORGE BARAKAT PITY**  
Administrator