

**AGREED MINUTES OF THE  
UNITED STATES - REPUBLIC OF KOREA  
MARITIME BILATERAL DISCUSSIONS  
November 1, 2018  
Washington, DC**

Delegations from the United States (U.S.) Maritime Administration (MARAD) and the Republic of Korea (ROK) Ministry of Oceans and Fisheries (MOF) held bilateral maritime consultations at the U.S. Maritime Administration in Washington, DC, on November 1, 2018. The U.S. delegation was led by Maritime Administrator Mark Buzby and Deputy Maritime Administrator Richard Balzano. The ROK delegation was led by Director General Eom Ki-doo. Delegations shared perspectives and information on a range of topics, including National Maritime Strategies, Mariner Training, the Panama Canal Expansion, Arctic Ocean routes, Sanctions, and Future Cooperation. ROK attendees included representatives from the Ministry of Oceans and Fisheries, Korean Institute of Maritime and Fisheries Technology, and the Korean maritime industry. U.S. attendees included representatives from MARAD, the U.S. Coast Guard (USCG), the Federal Maritime Commission (FMC), the U.S. Department of State (DOS), and U.S. flag ocean carriers.

The meeting began with briefings on the national maritime strategies of both countries. The United States presented MARAD's proposed National Maritime Transportation Strategy and outlined its strategic goals, which include: 1) Strengthen maritime capabilities essential to economic and national security; 2) Ensure the availability of a U.S. maritime workforce equipped with 21st Century skills and inspire and educate the next generation of mariners; 3) Improve ports and waterways to improve safety, reduce congestion, and increase mobility throughout the U.S. maritime transportation system; 4) Expand capacity of U.S. international gateway ports to accommodate larger vessels; 5) Drive maritime innovation in automation, safety, reducing environmental impacts, and other areas. The National Maritime Transportation Strategy Vision is to establish and maintain, "An innovative, competitive U.S. maritime transportation system that enhances our Nation's multimodal mobility and ensures our national and economic security in an increasingly globalized world." Korea introduced its shipping and port policies, with an emphasis on MOF's major goals and policy agenda. Topics covered in the ROK brief included: (1) Preparing for the 2020 International Maritime Organization's (IMO) Sulfur Cap and increasing eco-friendly vessels; 2) Mariner training and increasing the number of skilled mariners; 3) Expanding the capacity in Korean ports; 4) Increasing port efficiency through the Internet of Things (IOT) smart ports, and; 5) Benchmarking the U.S. Maritime Administration's Maritime Security Program (MSP) for possible application as a Korea program.

Mariner training was the next focus of discussion. Both countries identify mariner training as a top priority in their maritime strategies. The United States noted that a thriving maritime industry depends on a stable pool of well-trained mariners. MARAD promotes a strong U.S. commercial maritime industry through the rigorous training and education of men and women at the United States Merchant Marine Academy. MARAD also supports six state maritime academies through direct funding for maritime facility maintenance, and fuel for their training vessels. Upon graduation, students earn a U.S. Coast Guard merchant mariner credential with an unlimited Deck or Engineering Officer entry-level national endorsement and the corresponding Standard of Training Certification and Watchkeeping (STCW) endorsement, as well as a commission in the armed forces (if offered) and a highly-regarded baccalaureate degree. The ROK representatives discussed their country's five-year plan to increase Korean mariners, beginning in 2019. Their systems to train and educate mariners include: 1) High school programs; 2) the Korea Institute of Maritime and Fisheries Technology, and; 3) University-level training of Naval Officers for the Merchant Marine. They also have developed

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the establishment of the Seafarer Excellence Network of the Asia Pacific (SENAP) as an Asia Pacific Economic Cooperation (APEC) funded project. The new SENAP recognizes the need to provide a highly-educated, well-qualified, and efficient maritime workforce that maintains the highest standards of professionalism, ethical conduct, and commitment to excellence. It includes an online platform for mariners and will include workshops to train mariners.

The parties then discussed updates on the effects of the Expanded Panama Canal. The U.S. representatives stated that there has been a notable increase in the size of container ships placed into regular Asia-U.S. East Coast service and record breaking cargo volumes at many U.S. East Coast ports. Notably, there have also been impacts on the landside in the United States, including the increased usage of rail to more efficiently move containers to inland destinations. The U.S. noted that one of the greatest benefits of the Panama Canal Expansion is the reduced travel time for U.S. liquefied natural gas (LNG) and liquid petroleum gas (LPG) exports to Asian markets. The ROK representatives also noted the increase in shipping transits from the Republic of Korea to the U.S. Gulf and East Coast ports.

Korea Shipping Industry led discussion of the next topic, the Harbor Maintenance Fee (HMF) at U.S. ports. The HMF is intended to require those who benefit from the maintenance of U.S. ports and harbors to share in the cost of the maintenance. Once the fee(s) are collected by Customs and Border Protection, monies are deposited into the Harbor Maintenance Trust fund, from which Congress may appropriate amounts to pay for harbor maintenance and development projects and related expenses. Korean industry representatives stated that they believe that the HMF puts the U.S. at a competitive disadvantage with other ports in Canada and suggested a reduction of the fee.

Possibilities for U.S.-Flag Car Carrier Operations with ROK was discussed next. The U.S. stated that MARAD is actively engaged in efforts to grow the U.S.-flag international fleet. The U.S. representatives noted that maintaining a strong U.S.-flag international fleet is critically important to mobilize U.S. forces to support the United States' strategic partners, such as the ROK. A strong U.S. flag Merchant Marine is critical to the employment of the skilled U.S. mariners who crew America's government owned sealift fleet in times of crisis. The U.S. representatives stated that all vessels in the U.S. Maritime Security Program (MSP) are important to strategic sealift and serve a commercial and strategic sealift dual purpose. U.S. Flag RO/RO Pure Car Truck Carrier operators are seeking new opportunities to participate in the U.S.-Korea auto trade. The ROK representatives stated that they appreciated the information provided by the United States and are benchmarking MARAD's MSP program for a possible similar program in Korea. The ROK representatives understood the U.S. MSP requirement for U.S. flag and U.S. crews and would like to discuss this matter further within their government. Korean maritime industry representatives stated that if the MSP requirements were eased, they would be willing to review possible participation.

Next, the U.S. delegation discussed shipping policy regarding sanctions on Iran and North Korea (DPRK). A DOS representative explained U.S. government policies with respect to Iran and DPRK and highlighted UN Security Council resolutions (UNSCR) against ship-to-ship transfers, primarily of petroleum imports and DPRK-origin coal exports. The United States thanked the ROK for its leadership in seizing vessels known to have violated these provisions.




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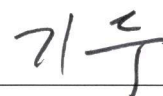
DOS suggested it can assist ROK agencies and companies to locate U.S. authorities for addressing specific sanctions-related questions. The ROK representatives noted that their government was consulting with the United States to obtain exemptions from Iran-related sanctions for ROK companies. The DOS commented that the United States was willing to work with countries seeking to decrease their consumption of Iranian oil. Regarding DPRK, the ROK representatives mentioned that in relation to shipping, the ROK was complying with UNSCRs for vessels that have violated UNSCRs sanctions, and noted that vessels calling at DPRK ports are prohibited from entering ROK ports for one year.

Lastly, the parties discussed the Arctic Ocean sea route. The U.S. representatives congratulated the ROK's role in the third annual Arctic Partnership week planned for December 2018. The USCG representative spoke about increased Passenger Cruise Vessel traffic in the Arctic Region and stated that as the ice melts in the future there will be an increase in passenger and cargo vessel traffic in the Arctic. The USCG representative also stated that there is currently a lack of infrastructure to support the increased vessel traffic. A DOS representative noted Russia's regulatory scheme regarding the Northern Sea Route (NSR) and concerns about consistency with international law of certain aspects of this scheme, including requirements to obtain Russia's permission to enter and transit its exclusive economic zone and territorial sea. The U.S. delegation requested that Russia be encouraged to revise its legislation and submit revisions to the International Maritime Organization for review. The U.S. representatives reiterated the request the United States made to the ROK in 2016, namely that if the ROK concurred with the United States, the ROK should present these concerns about the NSR to the Russian government.

Lastly, both delegations discussed the signing of the Memorandum of Cooperation on U.S.-ROK Maritime and Logistics Cooperation and agreed that there may be the possibility of a signing at the next meeting in the Republic of Korea. In closing, both agreed to hold the next meeting in the Republic of Korea, with a date to be determined in the near future.

  
Mark H. Buzby  
Administrator  
Maritime Administration  
U.S. Department of Transportation  
United States of America

20 Dec 2018  
Date

   
Eom Ki-doo  
Director General  
Ministry of Oceans and Fisheries  
Republic of Korea

21 Feb. 2019  
Date