MINUTES OF THE
JAPAN - UNITED STATES MARITIME
BILATERAL MEETING (2nd)
September 24, 2015
Tokyo

Delegations from the Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Maritime Bureau and the U.S. Department of Transportation, Maritime Administration met in Tokyo, on 24 September 2015, to discuss matters of mutual interest in the maritime transportation sector. The Japan's delegation was led by Director-General Hiroaki SAKASHITA and the U.S. delegation was led by Maritime Administrator Paul N. Jaenichen. Full delegation lists follow as Annex One. The agreed agenda for the meeting follows as Annex Two. The discussions were friendly and productive with each side confirming the value of working together to promote their mutual interests in the development of international maritime transport. Both sides applauded the detailed and thorough preparation that enabled an extensive exchange of information.

Afterward, both sides agreed on the importance of regular communication and coordination on maritime issues. During the opening statements, both sides mentioned shared maritime topics of concern, which included maintaining a strong national shipping industry, the transportation of energy, environmental issues and cooperation at multilateral fora as important aspects of the relationship.

(1) Trade in Services Agreement (TiSA)

Both sides agreed that their positions are similar on cabotage and feeder services as discussed at the World Trade Organization (WTO) and related maritime negotiations, in particular the TiSA. Both sides agreed to provide support to one another where their interests aligned.

(2) Panama Canal expansion

There was mutual interest in expansion of the Panama Canal and the impact it would have on the international trade. The U.S. explained that there will be no delay in opening the third locks on the Canal according to Mr. Quijano, Chief Executive Officer of the Panama Canal Authority (PCA). Moreover, United States noted that the Phases II-IV report on the impact on the Canal expansion is in the final stage of review. Japan reported that Japan and Panama discussed the latest issues on the Panama Canal and maritime affairs in a bilateral policy dialogue last year.

(3) Maritime Policy

The U.S. explained the current status of developing the U.S. National Maritime Strategy. Both sides shared the importance and difficulty of increasing the number of national-flag vessels and seafarers of own nationality. The U.S. proposed the acceptance of Japanese students to some maritime academies. Japan committed to consider concrete action for that proposal.

(4) Legislation on liquefied natural gas (LNG) export from U.S. to be carried by U.S. flag vessels

Japan expressed concern about legislation which gives preference to applicants for LNG deepwater port projects for permitting if they agree to employ U.S.-flag vessels that was enacted last December. Japan stressed that the legislation is inconsistent with the principle of "freedom of provision of maritime transport services" and it also contradicts the 1994 WTO ministerial decision on "Negotiations on maritime transport services." The United States recognized the need to respect the agreements of WTO and other trade commitments but observed that the U.S. Maritime Administration had a statutory obligation to develop a strategy on LNG exports.

(5) Antitrust exemption system: Ocean Carrier Agreements

The U.S. provided a brief summary of the Shipping Act of 1984 and including the amendments incorporated via the Ocean Shipping Reform Act of 1998. The U.S. explained that the Federal Maritime Commission has studied the impact of the European Union's repeal of the exemption from the competition law and concluded there was little impact on the international shipping industry. The U.S. also made it clear that there has been no recent Congressional movement that would change the position on the exemption from competition laws for liner trades.

(6) Environmental issues

Responding to the inquiry by Japan about the latest situation of the U.S. Coast Guard (USCG) type approval of ballast water management systems, the United States stated that it had made efforts to issue the first approval as soon as possible. Japan pointed out that it would be necessary for USCG to give further extensions for installation of the systems in accordance with the USCG regulation, to avoid giving inappropriate influence to the shipping business sector. Japan explained that it was found that malfunction of the systems were due to the human element caused by improper operation by seafarers based on the result of its study, so the systems could meet the discharge requirements under the proper operation of the systems.

With regard to the greenhouse gas (GHG) emission issue, both sides reaffirmed the importance of the continuous initiative of Japan and the U.S. on developing the data collection system under consideration by the International Maritime Organization (IMO) and reviewing the Energy Efficiency Design Index (EEDI) regulations. Japan stated that as GHG emissions reduction from international shipping had received a lot of attention from United Nations Framework Convention on Climate Change (UNFCCC) negotiators, IMO should show strong initiatives on developing a regulatory framework for GHG emission reduction. The United States introduced the current state of the progress on promoting LNG-fueled vessels in the United States.

(7) Safety Policy (Compensation for oil pollution damage exceeding Oil Pollution Act (OPA) limits of liability, Shipwreck removal issue, Amendments of Japan's Act of Limitation of Liability of Shipowners, etc.)

Japan explained the domestic legislations and the situation of Japan on compensation for oil pollution damage and the United States explained the details of its compensation regime for oil pollution damage.

(8) Maritime Security in IMO

Japan asked whether the United States considers the flexibility permitted by International Ship and Port Facility Security (ISPS) Code is problematic or not in-line with "Guidance for the Development of National Maritime Security Legislation" (MSC 95/4). The U.S. explained that the Guidance is recommended and that flexibility is required to allow for scalable maritime security solutions. In response to "Measures to address cyber-related risks" (MSC 95/4/6), both sides shared the recognition of the importance of immediate action in the area of maritime cyber security.

(9) Visibility of maritime industry

As measures to raise public awareness on maritime industry, Japan introduced the "World Maritime Day Parallel Event", the commendations to people who contributed significantly in various marine fields by the prime minister and the enhancement of cooperation with school education. The United States introduced many measures, for example, using animation video for social media.

(10) Strengthening the relationship between Japan's Maritime Bureau and U.S. Maritime Administration

Both sides exchanged views on promoting personnel exchange between Japan's Maritime Bureau and U.S. Maritime Administration. The United States agreed to consider hosting a Japanese official at the Maritime Administration.

Both sides thanked each other for the productive discussion and agreed that there are no quick and easy solutions to the agenda issues. Both sides further agreed that continued dialogue is critical and will continue to work together to exchange information on each side's shipping developments and policies.

The U.S. proposed to host the next Japan-U.S. Bilateral maritime meeting in Washington, D.C. in 2016.

Done on September 24, 2015 in Tokyo

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