

**AGREED MINUTES OF THE
UNITED STATES-VIETNAM
MARITIME BILATERAL DISCUSSIONS**

July 1, 2019

Washington, DC

On July 1, 2019, delegations from the United States Maritime Administration (MARAD) and the Socialist Republic of Vietnam Maritime Administration (VINAMARINE) held bilateral maritime consultations at the U.S. Department of Transportation in Washington, D.C. The Maritime Administrator Mark H. Buzby led the U.S. delegation. The VINAMARINE Administrator Mr. Nguyen Xuan Sang led the Viet Nam delegation. U.S. attendees included representatives from MARAD, the U.S. Department of State (DOS), the U.S. Coast Guard (USCG), and the Federal Maritime Commission (FMC). The Viet Nam attendees included representatives from VINAMARINE and Viet Nam National Shipping Lines (VINALINES).

Maritime Administrator Buzby extended a warm welcome to the Viet Nam delegation and thanked them for their hospitality at last year's meeting in Ha Noi, Viet Nam. Administrator Buzby expressed his belief that the strength of the two countries' bilateral relationship and economic ties would lead to opportunities for the two countries to experience mutual growth and success in the maritime sector. Administrator Nguyen Xuan Sang expressed his thanks for the invitation. Administrator Nguyen Xuan Sang wished to discuss policy from both sides about port infrastructure development, safety and security, as well as the desire to enhance investment in the port sector and the LNG market in Viet Nam.

The Maritime Bilateral Discussions in Washington, D.C. focused on key maritime issues including Maritime Strategy policy updates, the U.S. Indo-Pacific Strategy and specifically its Asia Enhancing Development and Growth through Energy (EDGE) initiative, port infrastructure development, liquefied natural gas (LNG) shipping, opportunities for U.S. investment in Viet Nam's maritime sector, cooperation on safety and security, and mariner training.

The meeting began with both delegations discussing their Maritime Policy updates. The United States representatives gave an overview and an update on the U.S. National Maritime Transportation Strategy. DOS presented on the Indo-Pacific Strategy, including opportunities to partner with regional countries to ensure a free, open and prosperous Indo-Pacific region. DOS reiterated the strong interest harnessing U.S. private sector investment and know-how to help Viet Nam realize its maritime and intermodal transportation infrastructure goals, including in relation to the LNG/energy sector. DOS noted that the United States can catalyze not only private sector investment, but also offer capacity building and technical assistance to help Viet Nam meet its infrastructure needs. The Vietnamese representatives gave an update on their maritime policy, with their master plan for Sea Port Development to be completed by 2020. VINAMARINE was requested to create new master plans to 2030 and vision to 2050. The

Vietnamese representatives expressed a desire for more support from MARAD, specifically in areas mentioned in the U.S. National Maritime Transportation Strategy.

Viet Nam provided an overview on its Port Infrastructure Development, providing updated information on the priority projects. The overview included discussing the new 10-year master plan with a list of potential projects, and presentations on 4 port projects currently under development. VINALINES intends to develop a fleet of vessels to enhance maritime operations, and to provide logistical support. The Vietnamese representatives expressed their hope that these endeavors will help to attract additional investment in the maritime sector in Viet Nam. VINAMARINE also asked for support from MARAD and other U.S. agencies to support these joint ventures.

Both delegations then discussed liquefied natural gas (LNG) and shipping. MARAD presented on their role on the import/export licensing process for LNG. DOS noted increased interest in exporting LNG to Vietnam, and the importance of promoting fair and reciprocal trade. The Vietnamese delegation noted that Viet Nam does not produce LNG, and emphasized the attractiveness of importing LNG from the United States. Viet Nam would need larger vessels to import from the U.S. and deep-water ports to accommodate these vessels. The Vietnamese delegation requested more information on port licensing, which would be crucial for LNG terminal development.

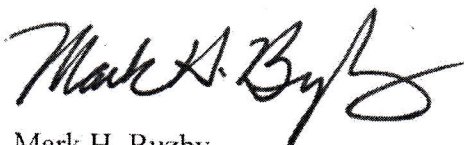
Both sides moved to discussion on opportunities for U.S. investment in Vietnam's maritime sector. The U.S. representatives underscored the importance for the U.S. private sector to invest in projects that are commercially viable. Viet Nam raised the concern over the challenge of hidden costs within transportation and shipping that they are not able to manage. The Vietnamese delegation expressed desire for U.S. assistance in managing these costs and furthering transparency. VINAMARINE suggested that a seminar be held to allow terminal operators to bring forward their difficulties, and to allow these difficulties to be addressed. Viet Nam agreed to try to put together a seminar before October this year to engage with relevant partners to discuss these issues.

The delegations then moved to safety and security. VINAMARINE presented on the current search and rescue (SAR) initiatives, highlighting that weather and environmental challenges made search and rescue operations more difficult. The Vietnamese expressed interest in an island class patrol boat, which would help make SAR more efficient. The Vietnamese raised the possibility of a Coast Guard vessel being given to them to add to their fleet. The USCG representative presented on different vessel sizes and types and requested a point of contact to help continue discussion on the possible vessel transfer. VINAMARINE then discussed their interest in the Vessel Traffic Service (VTS). Currently, Vietnam operates four systems, but would like to invest in more systems to provide full coverage within the next 10 years. VINAMARINE raised concerns over operation and training for VTS operators, as well as regulations for VTS operations. The USCG stated that they can provide info on operator training and operating manuals. VINAMARINE expressed interest in both the trainings and manuals.

Mariner training was raised as an issue by Viet Nam to help support their maritime industry. Viet Nam's maritime universities and colleges provide training for Vietnamese seafarers for work on Vietnamese Flag and foreign vessels. Concerns were raised about the limited training due to lack of funding and outdated equipment. VINAMARINE was also concerned that the lack of training and skill when conducting inspections could affect Vietnamese vessel operations. Viet Nam also expressed their desire to work with and get training to increase the capacity for Port State Control Officers (PSCO). The USCG representative discussed how they have provided foreign officers training for PSCOs and inspection in the past, and stated this may be an option for Viet Nam. The USCG followed up by asking for more information on what Viet Nam needs beyond what the IMO provides for mariner training and practices to further assist their maritime sector.

At the conclusion of the meeting, both countries thanked each other for the fruitful and positive meeting and expressed further interest in continuing discussions on mutually agreed upon maritime development priorities. The Vietnamese representatives stated their request for USGC training and assistance for VTS systems and mariner training, and their interest in a vessel transfer for their SAR vessel fleet. The United States representatives expressed their interest in promoting U.S. investment opportunities in Vietnam and continuing cooperation in the maritime sector. Both countries agreed to endeavor to meet again in 2020, a year that marks a quarter century of normalized diplomatic relations.

Done in Washington, DC, July 1, 2019.

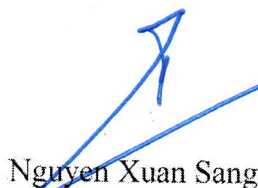


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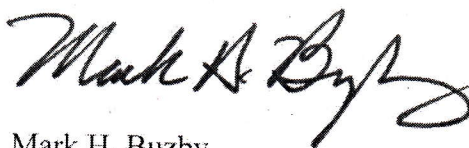


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