

**AGREED MINUTES OF THE 4th UNITED STATES – CHINA MARITIME
CONSULTATIVE MEETING**

1. Delegations from the United States Department of Transportation, Maritime Administration, and the People's Republic of China Ministry of Transport, met in Dalian, China on October 20, 2010, to review their Bilateral Maritime Agreement and other matters in the maritime services sector. The Chinese delegation was led by Vice Minister Xu Zuyuan, and the United States delegation was led by Maritime Administrator David Matsuda. Full delegation lists follow as Attachment One. The agreed agenda for the meeting follows as Attachment two. The discussions were both friendly and productive.
2. The meeting began with a continuation of the discussion concerning visa issues for seafarers and shore leave for ships' crews. The two sides reviewed progress accomplished and remaining concerns. The United States side confirmed that an interview is required when seafarers apply for a visa for the first time, and that many who already hold a U.S. visa may renew it without appearing at the Embassy or a Consulate in China for an interview.
3. The Chinese delegation noted the amount for the NVOCC bond rider established in the 2003 Memorandum of Consultation had not been increased in U.S. dollars to the equivalent amount in RMB. The Chinese side agreed to provide a specific proposal, which the United States agreed to present to the Federal Maritime Commission for its consideration.
4. The United States side noted that its shippers had concern with the confidentiality of the rate filing process of the Shanghai Shipping Exchange and with the "normal and reasonable" rate determination. The Chinese side explained that it had taken concrete measures to ensure that information is secure and is not divulged outside of relevant competent authorities. Also, China explained that unlike the U.S. system, filings are related to trade lanes and the filed rates cover only certain ranges from the minimum to the maximum rather than exact rates. The Chinese side discussed their standards for determining "normal and reasonable" rates, assuring that the government does not interfere with market rate setting. The United States side thanked China for the explanation and expressed the usefulness of obtaining official English translations of all regulations, rules and guidelines as soon as possible to avoid misunderstanding among stakeholders.
5. In a related matter, the Chinese side clarified that the goal of the Shanghai Containerized Freight Index was to provide information to the market and also a useful tool needed by the market.



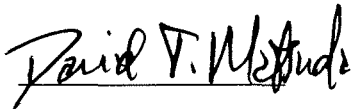
6. The Chinese delegation raised concern that the cargo manifest requirements of the United States creates difficulties for Chinese tramp services, and expressed the hope that the United States side could adopt practical approaches avoiding those difficulties. The United States side noted that these requirements were put into place after September 11, 2001.
7. To support the U.S. President's National Export Initiative, the U.S. delegation highlighted the important contribution of multimodal transportation and logistics both as services to exporters and as exports themselves. The two sides exchanged views on investments in transportation infrastructure in China and procedures for establishing commercial presence.
8. In response to Chinese concern about the level of certain port fees the U.S. delegation explained that these fees are the result of contracts between private parties and collective bargaining agreements in which the U.S. government has no involvement. The U.S. side agreed to investigate concerns about any instances of unreasonable imposition of charges, and seek to identify potential solutions.
9. While expressing support for measures to reduce shipping emissions, China expressed the opinion that the California regulation requiring low-sulfur fuel was inconsistent with international conventions. The U.S. side clarified the limited scope of the regulation and observed that the North American Emissions Control Area (ECA), approved by the International Maritime Organization, will supersede the California regulations in 2015.
10. Both the United States and China shared their mutual concerns regarding the European Union's Directive 391/2009 regarding recognized organizations (ship classification societies). The two sides agreed to consult at the upcoming meeting of the IMO Maritime Safety Committee in November.
11. The U.S. delegation noted that it had no current position on changes to competition policy for shipping. It also noted that the Federal Maritime Commission was currently studying the effects of the change in European competition policy.
12. The United States side noted with interest China's ongoing re-flagging initiative.
13. The two sides discussed areas for future cooperation. The United States proposed a Memorandum of Cooperation regarding anti-piracy efforts; specifically concerning training and education. In addition, both sides reaffirmed their commitment to encourage safe and environmentally sound recycling of ships. The United States side commended China's initiative in



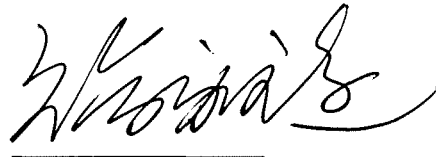
establishing the APEC Port Services Network and recalled the history of cooperation between the two countries in the APEC Transportation Working Group.

14. Lastly, the Chinese delegation expressed interest in entering into exchanges with the United States Coast Guard. These exchanges would focus on port state control, seafarer management and environmental protection. The U.S. side agreed to inform the Coast Guard of the Chinese delegation's interest, and also consider exchanges with the United States Merchant Marine Academy.
15. Both sides agreed to hold the 5th maritime consultative meeting in the United States in 2011.

DONE on October 20th, 2010, in Dalian, China, in the Chinese and English languages.



David T. Matsuda
For the Department of Transportation
United States of America



Xu Zuyuan
For the Ministry of Transport
People's Republic of China