# ICAS MARITIME AFFAIRS HANDBILL May 30, 2023

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# **Recent News in Global Maritime Affairs**

[1] Climate Change and Blue Carbon Economy [1]

<u>New system can capture 100 tons of CO2 from Ocean annually</u>

May 30 - Inceptive Mind [Global, United States]

Captura, a U.S.-based carbon removal company, has partnered with AltaSea, a leading and neighboring seaport, to continue developing a new ocean carbon capture system that can capture up to 100 tons of carbon dioxide from the ocean each year. AltaSea will provide a site for testing, research and analysis for Captura's Direct Ocean Capture technology that has already been through several smaller-scale pilot tests.

# Montreal Protocol has slowed loss of Arctic sea ice, say scientists

May 22 - Carbon Brief [The Arctic, Global]

Researchers have found that the Montreal Protocol—the landmark international treaty signed by nearly 200 nations in 1987 that aims to protect the ozone layer—has also helped reduce Arctic warming and, thus, slowed the melting of Arctic ice.

Report: Climate change set to breach 1.5 C limit for first time by 2027

May 19 - Phys.org [Global]

According to a recently-released report by the World Meteorological Organization, global temperatures have a 66% chance of exceeding the 1.5 degree Celsius limit agreed in the Paris Agreement by the end of 2027. If the international community does not achieve urgent change, this report explains, this trend could become permanent by 2034.



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# Shell to use new AI technology in deep sea oil exploration

May 17 - Reuters [United States, Global]

Shell is now set to use SparkCognition's Al algorithms to process and analyze large amounts of seismic data in its deep sea exploration and production. The new Al-based technology is expected to improve operational efficiency and boost offshore oil output.

# AECOM celebrates launch of new reef resilience strategy for Belize in partnership with Resilient Reefs Initiative May 15 - WebWire [South America]

Infrastructure consulting firm AECOM has cooperated with the Belize Coastal Zone Management Authority and Institute to release the Strategy for Reef Resilience in Belize, which outlines the threats facing the local Barrier Reef System and offers practical solutions to enhance resilience.

# Seabed mapping crucial to protect UK's climate and oceans

May 12 - Safety4Sea [Europe, Global]

Sally-Ann Hart, a member of the United Kingdom's Parliament, noted in her speech during the UK Centre of Seabed Mapping showcase event in London that seabed mapping is crucial in terms of helping protect the UK's climate, ocean, and coastal communities. She also said that collaboration is the key to tackling climate change for maritime industry stakeholders.

### Taiwan's wind industry braves cross-strait risks in clean energy boom

May 10 - Reuters [East Asia]

In apparent efforts to stay ahead of the clean energy boom, Taiwan's wind industry is continuing to build wind turbines off its western coast. Danish renewable energy company Orsted has been building a multi-billion dollar offshore wind project involving 111 wind turbines located up to 60 kilometers into the Taiwan Strait.

# A Greenland glacier's rapid melting may signal faster sea level rise

May 8 - The Washington Post [Paywall] [North Atlantic, Global]

Scientists studying Greenland's Petermann Glacier said that it is melting far faster than expected in the most vulnerable areas and could lead to a faster sea level rise. Scientists fear the same phenomenon could also happen to other glaciers in both Greenland and Antarctica.



# Groups to sue federal officials over manatee protection

May 2 - Associated Press [United States]

Major conservation groups announced their intention to sue the U.S. Fish and Wildlife Service over an alleged failure to protect the West Indian manatee who live off of Florida's Gulf Coast. The species, currently classified as 'threatened,' has seen a record number of deaths in recent years due an increase in discharge from septic tanks and fertilizer that is draining their food supply.

# New report shows potential of more severe storms reaching the UK

May 2 - National Oceanography Centre [Europe]

A report from scientists of the National Oceanography Centre (NOC) suggests that severe storms are gradually concentrating closer to the earth's poles. This dynamic is affecting the United Kingdom in particular and is likely linked to the depletion of Arctic sea ice.

# [2] Maritime Economy and Shipping [2]

GE and Nedstack Collaborate on Marine Fuel Cell Proposal

May 24 - Sea Technology [Europe, United States]

Nedstack, a Dutch fuel cell manufacturer, and GE Power Conversion, a U.S. power firm, have agreed to continue partnering on GE's electric ship system that "aims to replace diesel engines with fuel cells and oil-derived bunker fuel with hydrogen" in the commercial shipping industry.

# <u>US-Taiwan trade deal seen speeding up Taiwan's shipping and boosting start-ups; Beijing</u> <u>quiet so far</u>

May 20 - South China Morning Post [Paywall] [Indo-Pacific, Global]

As Washington and Taiwan concluded negotiations on the "U.S.-Taiwan Initiative on 21st Century Trade," analysts said that the agreement would speed up shipping and the customs clearance process between the two parties. Beijing has not publicly addressed the latest development so far, but could potentially react to follow-up agreements.

Asia's internet cable projects delayed by South China Sea tensions

May 19 - Nikkei Asia [Paywall] [Asia, Indo-Pacific]

Asia's multi-national subsea internet cable projects are being delayed by South China Sea tensions as global cable companies are increasingly attempting to bypass the region despite the increased costs.



# <u>China's use of Russian port to ship goods domestically is 'symbolic' of closer ties, but hurdles</u> <u>remain</u> May 19 - South China Morning Post [Paywall]

[China, Russia]

China and Russia have recently reached a mutual agreement for Russia's Port of Vladivostok to soon become a transit hub. This port was under Chinese control for 171 years during the Qing dynasty, moving analysts to call the agreement "symbolic" and a sign of deepening bilateral ties.

# The \$120 Million Ghost Ship Antigua Is Desperate to Unload

May 17 - Bloomberg [Paywall] [Europe]

The Russian, 2,500 gross ton superyacht Alfa Nero has been docked in Antigua for more than a year after the United Kingdom and U.S. separately announced sanctions on its supposed owner, Andrey Guryev. The Antigua government recently seized the abandoned ship with hopes to sell it at auction.

# Royal Caribbean will send Anthem of the Seas to Asia for the first time

May 15 - Royal Caribbean Blog [United States, Indo-Pacific]

The Royal Caribbean cruise line is sending its *Anthem of the Seas* ship to Singapore for the first time starting in 2025. Its ship currently based in Singapore, *Spectrum of the Seas*, will shift its home port to Shanghai in 2024 to serve Chinese tourists with destinations across Vietnam, China and Japan.

# Indian-backed port opens in Myanmar in answer to China's corridor project

May 11 - Nikkei Asia [Paywall] [South Asia, Southeast Asia]

Sittwe Port in Myanmar, a new project backed by New Delhi, has officially opened in Myanmar in an apparent answer to China's corridor project. The new port is part of a \$484 million transport initiative aimed at strengthening economic ties between India and Myanmar.

# Stalled Sister City Plan Reveals New German Wariness of China

May 10 - The New York Times [Paywall] [Europe, China]

Amid concerns about China's military activities, the port of Kiel in Germany has hesitated to form a sister city partnership with the Chinese port of Qingdao. The cities have historic cooperation and similar features, including military-related assets.



# Chinese Exports Cool in Latest Warning Sign on Global Trade

May 9 - The Wall Street Journal [Paywall] [China, Global]

Chinese export growth decelerated in April, highlighting the need for domestic consumption to drive China's economy as global trade cools. Facing climbing interest rates and inflation, economists are concerned about the sustainability of a consumer-led recovery.

<u>China gets first corn shipment from South Africa, bolstering push to diversify away from US</u> May 8 - South China Morning Post [Paywall] [China, Africa]

China's COFCO Group successfully imported its first shipment of feed corn from South Africa, totalling 53,000 metric tonnes. The shipment follows a shipment cancellation at the end of April of 562,800 tons of U.S. corn, suggesting a desire by China to diversify its source of grains.

# <u>New 5G maritime network: Seafarers can have drones deliver medicine at sea after</u> <u>teleconsultation</u>

April 27 - The Straits Times [Global, Southeast Asia]

Singapore's M1 and Fullerton Health will launch a 5G-powered teleconsultation and drone delivery service for seafarers in July, seeking to reduce logistical burdens and expedite medical care for seafarers, avoiding costly patient ferry trips unless necessary.

# [3] Ocean Governance and Maritime Cooperation [3]

<u>Vietnam demands Chinese ship leave its exclusive economic zone</u> May 25 - Channel News Asia [South China Sea]

Vietnam's foreign ministry formally demanded that the Chinese government "immediately remove the survey ship Xiang Yang Hong 10, Chinese coast guard ships and fishing vessels out of Vietnam's waters." The region of interest is an area where both Vietnam's exclusive economic zone and China's self-claimed maritime territory in the South China Sea overlaps.

# China says NATO's plan for Japan office not welcomed in Asia-Pacific

May 24 - Reuters [Indo-Pacific, China, East Asia]

The North Atlantic Treaty Organization (NATO) is preparing to open a liaison office in Japan as early as 2024, which will be the first NATO liaison office in Asia. NATO looks to utilize the new liaison office to increase cooperation between NATO and Japan on cyberattacks, misinformation campaigns, and disruptive technologies. China says the liaison office is "not welcome.



# U.S. Navy Steps Up Efforts to Curb Iran's Ship Seizures in Strait of Hormuz

May 23 - The New York Times [Paywall] [Middle East, Europe]

After Iranian forces seized the Marshall Islands' oil tanker Advantage Sweet, which Iran stated was seized due to a collision with an Iranian vessel, just six days after the Panama-flagged oil tanker, Niovi, due to what the Iranian military calls a private complaint, the U.S. Navy decided to increase their patrols through the Strait of Hormuz to deter Iran's "unacceptable" actions.

# No Survivors in Chinese Fishing Vessel Capsizing, Initial Report Says

May 23 - Voice of America News [Indian Ocean, China]

After a Chinese fishing boat capsized in the Indian Ocean early on May 16, leaving 39 Chinese, Indonesian and Filipino nationals unreachable, Chinese president Xi Jinping ordered an all-out rescue. On May 22, Chinese state media reported that seven bodies had been found by the multinational search-and-rescue team, though there were likely no survivors.

# A quarter of the ocean floor is now mapped

May 19 - National Oceanography Centre [Global]

During the International Hydrographic Organization (IHO) Assembly, HSH Prince Albert II of Monaco announced that there was an additional 5.4 million square kilometers of new data added to the ongoing seabed mapping project, which now has 24.9% of the ocean seabed officially mapped.

# Việt Nam, Philippines talk maritime, ocean concerns in 10th meeting

May 18 - Việt Nam News [Southeast Asia, South China Sea]

From May 15-16, the 10th meeting of the Vietnam-Philippines Joint Permanent Working Group on Maritime and Ocean Concerns (JPWG-MOC) was held in Ha Long City, during which both sides agreed to further deepen bilateral maritime cooperation.

# Ukraine Black Sea grain deal extended for two months

May 17 - Reuters [Europe, Mediterranean Sea]

Russia and Ukraine have extended the Ukrainian Black Sea grain deal, which was set to expire on May 18. The United Nations secretary general Antonio Guterres called the extension of the deal "good news for the world." The extension was initially announced by Turkish President Tayyip Erdogan in a televised speech and later confirmed by Russia, Ukraine and the United Nations.



<u>Escape from Sudan: Chinese navy helps Pakistani and Brazilian nationals flee war-torn</u> <u>African nation alongside its own</u>

May 1 - South China Morning Post [Paywall] [Africa, China, Global]

As conflict broke out in Sudan, the Chinese military helped Pakistanis and Brazilians, alongside Chinese nationals, escape from war torn Sudan. The total evacuation count from the Chinese People's Liberation Army was 940 Chinese nationals, 215 Pakistani citizens, and 6 Brazilian citizens.

In updated ocean policy, Japan slams Chinese and Russian military presence

April 29 - The Japan Times [Paywall] [East Asia, Pacific Ocean]

The Japanese government has officially raised concerns about increasing military drills from China and Russia within regional waters. In Japan's new five-year ocean policy, the government laid out that Japanese "national interests are under greater threat than ever before" from these drills.

# [4] Maritime Security and Defense [4]

**IDF successfully tests naval Iron Dome defense system against multiple attacks** May 29 - The Jerusalem Post [Middle East]

On May 29, the Israel Defense Force (IDF) Navy successfully completed several "multi-system and multi-tier interception tests" using 'C-Dome'; a joint project of the IDF Navy, Israel Missile Defense Organization and Rafael Advanced Defense Systems that aims to intercept advanced threats.

# China deploys three 'navigation' beacons in the South China Sea

May 24 - Reuters [South China Sea, China]

China's Transportation Ministry deployed three navigation beacons around Irving Reef, Whitson Reef, and Gaven Reef of the Spratly Islands in the South China Sea. Earlier in May, similar beacons were placed in the area by the Philippines.

US and Papua New Guinea Sign New Defense and Maritime Agreements

May 22 - Mirage News [South Pacific, United States]

On May 22, the U.S. and Papua New Guinea signed a defense cooperation agreement (DCA) and an Agreement Concerning Counter Illicit Transnational Maritime Activity Operations. The DCA, which replaces two other "outdated" agreements, includes U.S. access to local naval bases and airports as well as the facilitation of military exercises to help "increase stability and security in the region."



## Chinese warships return to West Pacific for live-fire drills

May 16 - Reuters [Indo-Pacific, China]

In mid-May, as two aircraft carriers returned from their own patrols, the Chinese military sent two of its warships—the destroyer *Dalian* and guided-missile frigate *Huangshan*—to an unidentified area of the West Pacific to conduct live-fire exercises and drills. Observers predict that there "will be more and more of these distant sea travels in future."

### China completes warship deliveries to Pakistan as military alliance grows

May 11 - Reuters [China, Middle East]

China has reported the successful delivery of two Type 054A frigates to Pakistan's navy as their military alliance grows. The vessels, the last part of a four-warship deal from 2018, are expected to be used to safeguard the seas of the China-Pakistan economic corridor (CPEC).

# <u>China says PLA Rocket Force joined Shandong carrier group in drills near US base in western</u> <u>Pacific</u>

May 10 - South China Morning Post [Paywall] [China, United States, Pacific Ocean]

Chinese state media says China's People's Liberation Army (PLA) Rocket Force joined the Shandong carrier group in drills near the U.S. naval base of Guam in the western Pacific. The Shandong carrier group had just finished a 30-day military exercise 400 nautical miles (741 km) northwest of Guam.

# Joint Philippines-US patrols in South China Sea may begin by third quarter: Envoy

May 8 - The Straits Times [United States, Southeast Asia]

The Philippine Ambassador to the U.S. noted in an interview that joint U.S.-Philippine patrols in the South China Sea are estimated to begin "no later than the third quarter of this year."

# German Navy Announces New Pacific Deployments as Global Navy Chiefs Call for More Pacific Cooperation May 4 - USNI News [Europe, Pacific Ocean]

Speaking at the International Maritime Security Conference 2023 on May 4, German Navy Chief Jan Christian Kaack announced that Germany will deploy a frigate and a combat support ship to the Indo-Pacific beginning in 2024 with a mission that includes "freedom of navigation operations with partner navies in the South China Sea."



# US issues guidelines on defending Philippines from South China Sea attack

May 4 - Channel News Asia [United States, South China Sea]

During a visit by President Marcos Jr. in Washington, the U.S. and the Philippines agreed upon and issued a six-page "bilateral defence guidelines" including direct references to defending the Philippines from a potential South China Sea attack.

Aircraft Carrier USS Gerald R. Ford Departs Norfolk for Worldwide Deployment

May 2 - USNI News [United States, Global]

The USS Gerald R. Ford Carrier Strike Group (CSG-12) left its home port in Newport, Virginia at the beginning of May for its first global deployment. Defense officials say that its initial focus will be in the Mediterranean Sea.

# Peer-Reviewed Research on Maritime Issues

- Government Release: The White House <u>"U.S.-Pacific Islands Forum Leaders Dialogue in Port Moresby, Papua New Guinea</u>" [May 22]
- Government Release: Ministry of Foreign Affairs of Japan <u>"G7 Hiroshima Leaders' Communiqué"</u> [May 20]
- Government Release: The White House <u>"Quad Leaders' Vision Statement Enduring Partners for</u> <u>the Indo-Pacific"</u> [May 20]
- Government Release: U.S. Congressional Research Service <u>"China Naval Modernization:</u> <u>Implications for U.S. Navy Capabilities—Background and Issues for Congress</u>" [Updated May 15]
- Government Release: U.S. Department of Defense <u>"The United States and the Republic of the Philippines Bilateral Defense Guidelines</u>" [May 3]
- Government Release: U.S. Department of Defense "Department of Defense Report to Congress: <u>Annual Freedom of Navigation Report, Fiscal Year 2022</u>" [April 2023]
- ➤ Government Release: Government of Japan <u>"海洋基本 計 画 (案) [Basic Act on Ocean Policy (Draft)]</u>" [2023] [In Japanese]
- Podcast: CIMSEC <u>"Sea Control 429 'A New Black Sea Reality' with Luke Coffey and Dr. Can Kaspoğlu"</u> [May 4]
- Video: The Wall Street Journal <u>"How the U.S. Wants to Counter China in the Pacific"</u> [May 18]
  [Paywall]
- > Opinion: <u>"The Stand-In Force Needs Sea Legs"</u> [Real Clear Defense May 30]
- Opinion: <u>"With firm allies like Japan and Australia, the US can afford to take its eye off the Indo-Pacific when it needs to</u>" [South China Morning Post May 26] [Paywall]
- Opinion: <u>"No. 20 | Marine Protected Areas in Antarctica: Has China's hand been revealed?</u>" [Wilson Center May 19]



- Opinion: <u>"Winning High-End War at Sea: Insights into the PLA Navy's New Strategic Concept"</u> [CIMSEC - May 18]
- Opinion: <u>"Asia's Coastal Areas Are More Than Just Carbon Credits</u>" [Asian Development Bank Blog -May 16]
- Opinion: <u>"An Oil Tanker Ablaze in the South China Sea Is a Global Problem</u>" [Bloomberg May 6]
  [Paywall]
- Opinion: <u>"China's aircraft carriers play 'theatrical' role but pose little threat yet</u>" [The Japan Times -May 5] [Paywall]
- Opinion: <u>"Russia's Next Standoff With the West Lies In the Resource-Rich Arctic</u>" [Bloomberg Green -May 5] [Paywall]
- Opinion: <u>"China and the Philippines must ensure the US and South China Sea issues don't come between them</u>" [South China Morning Post May 3] [Paywall]
- > Opinion: <u>"On board a Philippine patrol in contested South China Sea</u>" [Associated Press May 2]
- > Opinion: <u>"Island Nations Key to U.S. Maintaining Position as Pacific Power</u>" [USNI News May 1]
- Opinion: <u>"Polar Perspectives No. 13 | The Intelligence Community Must Evolve to Meet the Reality of Arctic Change</u>" [Wilson Center May 2023]
- Opinion: <u>"What an ominous surge in ocean temperatures means for the planet</u>" [The Washington Post - April 28] [Paywall]
- Analysis: <u>"Data Sharing for Ports: Data Management Platform Yields Efficiency Gains in Shipping"</u> [Sea Technology, May 2023]
- > Analysis: <u>"IUU fishing destroys marine habitats"</u> [Modern Ghana May 28]
- Analysis: <u>"Study Shows 14,000 Unplugged Oil and Gas Wells in Gulf of Mexico</u>" [Natural Resources Defense Council - May 23]
- Analysis: <u>"China's fishing fleet embroiled in rising tensions with US</u>" [Financial Times May 22] [Paywall]
- Analysis: <u>"China's Port Power: The Maritime Network Sustaining Beijing's Global Military Reach"</u> [Foreign Affairs - May 22] [Paywall]
- > Analysis: <u>"Changxing Island: The Epicenter of China's Naval Modernization"</u> [China Power May 18]
- Analysis: <u>"The Philippines' policy on the South China Sea under the Marcos administration:</u> <u>Recalibrating its distance from the United States and China</u>" [Sasakawa Peace Foundation - May 16]
- > Analysis: <u>"Arctic Harmony Is Falling Apart"</u> [Foreign Policy May 15] [Paywall]
- Analysis: "For US to counter China in Indo-Pacific, it must prioritise Indian Ocean island nations: analysts" [South China Morning Post - May 14] [Paywall]
- Analysis: <u>"How the U.S. Is Trying to Block China's Control of Ports Around the Globe</u>" [Video] [The Wall Street Journal May 11] [Paywall]
- Analysis: <u>"To Counter China, the U.S. Is Expanding Its Footprint in the Pacific</u>" [Video] [The Wall Street Journal - May 10] [Paywall]
- Analysis: <u>"Drones becoming indispensable for Indo-Pacific navies</u>" [The Japan Times May 4] [Paywall]
- Analysis: <u>"As Philippines moves closer to US, will region change tack on China?</u>" [South China Morning Post - May 2] [Paywall]
- Analysis: <u>"Tracking China's April 2023 Military Exercises around Taiwan</u>" [Center for Security and International Studies, China Power - May 2023]



- Analysis: <u>"Grounding of U.S. Marine Unit Spotlights Lack of Ships in Asia-Pacific</u>" [The Wall Street Journal - April 30] [Paywall]
- ➤ Analysis: <u>"China's Arctic ambitions and Russian ties stoke NATO fears"</u> [The China Project April 25]

# Events on the Maritime Domain

- On April 27, 2023, the Wilson Center Polar Institute along with the Fulbright Arctic Initiative and the U.S. Department of State held a symposium on <u>Science Diplomacy in the Arctic</u> to share and highlight the key findings by 19 Fulbright Arctic-based research scholars from eight different Arctic nations. A recording is now available.
- On May 4, 2023, the Center for Strategic & International Studies Southeast Asia Program held <u>A</u> <u>Conversation with President Ferdinand Marcos Jr. of the Philippines.</u> This hybrid event was part of the CSIS ASEAN Leadership Forum. A recording and transcript is now available.
- On May 11, 2023, Carnegie Endowment for International Peace held a virtual conversation to discuss <u>"Who Makes the Rules? China and the Law of the Sea.</u>" A full recording is available.
- From May 11-12, 2023, Spinnaker held its annual <u>Maritime People & Culture Conference 2023</u> in London, United Kingdom.
- On May 12, 2023, the Center for Strategic & International Studies Korea Chair held a hybrid event on <u>"U.S.-China Competition and Indo-Pacific Security.</u>" A full recording is available.
- From May 16-17, 2023, the Philippines through the Maritime Industry Authority (MARINA), the Danish Maritime Authority of Denmark, and the International Maritime Organization (IMO) co-organized a regional conference on <u>"Seizing opportunities for green shipping in Asia and the Pacific</u>" in Manila, Philippines.
- From May 23-25, 2023, the U.S. Naval War College held <u>The 5th Annual Alexander C. Cushing</u> <u>International Law Conference: "International Law and Conflict at Sea."</u>
- From May 24-25, 2023, the European Commission celebrated its annual <u>European Maritime Day</u> <u>2023</u> during which Europe's maritime community met in Brest, France "to network, discuss and outline joint action on maritime affairs and sustainable blue economy.
- On May 25, 2023, the Center for Strategic & International Studies will hold a hybrid <u>conversation</u> with Ely Ratner and Siddharth Mohandas on "The U.S. Role in Indo-Pacific Security."
- On May 29, 2023, the Finnish Ministry of Foreign Affairs and the Wilson Center's Polar Institute, along with several co-sponsors, held an online event at Helsinki's City Hall on <u>"Antarctica Today: Shared Challenges for Science and Environmental Protection in the Final Frontier."</u> The event included a session in English and a session in Finnish.
- On May 30, 2023, the International Maritime Organization and the Republic of Korea will jointly host the <u>Symposium on "Making headway on the IMO MASS Code"</u> at the IMO Headquarters in London, United Kingdom.
- On June 5, 2023, Center for Strategic & International Studies will hold a <u>conversation with Admiral</u> <u>Lisa Franchetti, Vice Chief of Naval Operations of the U.S. Navy on "Navigating the Maritime</u> <u>Domain.</u>" Note: This event has been postponed until further notice.
- From June 5-8, 2023, the IEEE Oceanic Engineering Society and Marine Technology Society will be hosting the <u>"OCEANS 2023 Limerick - Blue Ocean Planet Earth"</u> in person in Limerick, Ireland; an



event for "global maritime professionals to learn, innovate, and lead in the protection and utilization of the world's largest natural resource – our Oceans." Registration is still open.

- On June 8, 2023 the <u>Ocean Awards Gala</u> will be held in Washington, D.C. on the evening of World Ocean Day. The gala, also a part of <u>Capitol Hill Ocean Week</u>, annually recognizes champions of marine and Great Lakes stewardship.
- From June 20-22, 2023, the World Maritime University and its partners will hold its <u>"Conference on Maritime & Ocean Sustainability</u>," in alignment with its 40th anniversary, in Sweden.
- From June 29-30, 2023, <u>The Nautical Institute's Developing Maritime Professionals Conference and AGM</u> will be held in Hamburg, Germany. The conference will be conducted on board the historic cargo ship MS Bleichen.

# Handbill Spotlight

# **U.S. Shipping Reforms**

# Issue Background<sup>1</sup>

Maritime shipping is an important cornerstone of U.S. trade and economy and the leading mode of transportation for both U.S. imports and exports. In 2020, maritime vessels carried 40% of U.S. international trade value and nearly 70% of trade weight, covering a wide range of strategically important products such as grains and petroleum as well as commodities such as cars, construction vehicles, steel and paper. Globally, shipping is considered <u>the most</u> <u>efficient and cost-effective method</u> of transportation for most internationally traded



goods, and <u>the OECD estimated</u> that around 90% of traded goods are transported through ocean shipping.

Given the importance of ocean shipping, U.S. policymakers are naturally concerned when global and U.S. shipping were threatened, most recently by the outbreak of the COVID-19 pandemic. As the pandemic disrupted the regular flow of cargo shipments and port operations in the United States, significant congestions were observed in <u>a number of major U.S. ports</u>. When the cost of long waits at U.S. ports added up, many ocean carriers <u>started to ship empty containers</u> back to Asia, creating serious issues for U.S. exporters; especially agricultural exporters. With the wide-ranging and long-lasting impacts of the ocean shipping disruptions, U.S. policymakers are giving renewed attention to ocean shipping, eyeing for reforms and better governance.

<sup>&</sup>lt;sup>1</sup>Image Source: U.S. President Joe Biden signed the "Ocean Shipping Reform Act of 2022" on June 16, 2022 (<u>Official White</u> <u>House Photo by Adam Schultz</u>/U.S. government work).



#### **Recent Events**

Given <u>the especially high volume of trade</u> between the U.S. and China and Washington's growing concerns about U.S. competitiveness against China, China became a key focus in the policy discussions on ocean shipping reform. On June 16, 2022, U.S. President Joe Biden signed into law the Ocean Shipping Reform Act, a bill that will, among others, "prohibit ocean carriers from unreasonably refusing cargo space accommodations for U.S. exports" and "promote transparency" by demanding ocean common carriers to report a number of shipping-related statistics. While originally a response to the problem of port congestion and unfavorable ocean carrier practices, the Ocean Shipping Reform Act quickly turned into a bill to counter China's "unfair practices." In August 2021, U.S. Representatives Dusty Johnson and John Garamendi, the two original sponsors of the Ocean Shipping Reform Act, <u>said that the bill would</u> "help reduce the United States' longstanding trade imbalance with China and other countries." According to <u>an earlier statement</u> by Johnson in March 2021, "once again, China is participating in unfair trade practices, prioritizing empty shipping containers over U.S. agriculture products."

Following the passage of the Ocean Shipping Reform Act, Washington's attention on ocean shipping reform has continued, especially where China is a factor. On September 20, 2022, the U.S.-China Economic and Security Review Commission released an issue brief on China's transportation and logistics management platform LOGINK, arguing that the Chinese government could "potentially gain access to and control massive amounts of sensitive business and foreign government data through LOGINK" as well as gaining advantages in the standard making of global logistics data management. On October 3, 2022, warning that China has become "a global maritime powerhouse" of shipping and shipbuilding, former shipping industry executive and association leader Michael Roberts proposed that the United States should enact a "U.S. Ships Act" in the likes of the CHIPS and Science Act to channel investment and "help American shipbuilders and shipping companies reclaim lost ground in international markets." The policy discussions have since led to new legislative actions. On March 28, 2023, U.S. Representatives Dusty Johnson and John Garamendi, the same sponsors of the previous Ocean Shipping Reform Act, introduced the Ocean Shipping Reform Implementation Act. This Act, which would prohibit U.S. ports from using China's LOGINK, authorizes investigation of foreign shipping exchanges like the Shanghai Shipping Exchange and streamline data standards for maritime freight logistics in the United States.

### **Keep In Mind**

As the COVID-19 pandemic heightened the grave consequences of ocean shipping disruptions, the issues of ocean shipping and ocean shipping reform will continue to attract policy attention as the United States aims to improve its supply chain resilience and enhance American competitiveness. With the passage of the Ocean Shipping Reform Act and the introduction of the Ocean Shipping Reform Implementation Act, it is foreseeable that U.S. government and agencies—in particular, the Federal Maritime Commission—will play an increasingly larger role in collecting and analyzing shipping data, investigating and identifying systematic problems as well as implementing new standards and regulations at U.S. ports and beyond. This could translate to further regulatory



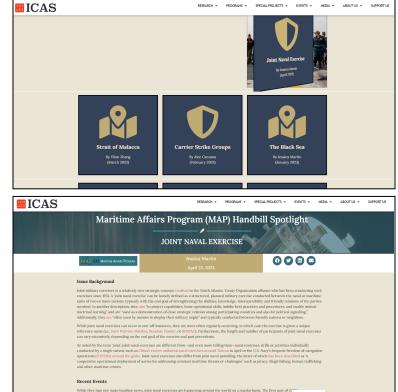
changes and compliance needs for the shipping industry as well as trading companies around the world.

At the same time, as <u>China's central role in maritime shipping</u> became increasingly salient amidst the rising U.S.-China competition, an increasing number of U.S. <u>lawmakers</u>, <u>policymakers</u> and <u>commentators</u> have made China the focal point of U.S. ocean shipping reform. As the United States has come to see China as a "<u>near-peer competitor</u>" that challenges U.S. leadership economically, militarily and technologically, China-related discussions have tended to take priority over other policies and concerns, even if the latter could also impact long-term U.S. competitiveness and leadership. Policymakers should beware to not let their valid China concerns overshadow equally necessary reforms of U.S. ports and shipping, especially when the COVID-19 pandemic and the consequent port congestion have already revealed systematic issues that are not necessarily related to China.

This issue's Spotlight was written by Amanda Jin, ICAS Part-Time Research Assistant.

# ICAS Maritime Affairs Program: New and Upcoming

# - MAP Program Announcement -



The ICAS MAP Handbill Spotlight Archive is Live!

After a successful full year of production, the ICAS Maritime Affairs Program has now developed and released an archive for its Maritime Affairs Program Spotlight analyses in order to provide easier access and encourage sharing.

Maritime Affairs Program Spotlights are a short-form written background and analysis of a specific issue related to maritime affairs, which changes with each issue. The goal of the Spotlight is to help our readers quickly and accurately understand the basic background of a vital topic in maritime affairs and how that topic relates to ongoing developments today.

There is a new Spotlight released with each issue of the ICAS Maritime Affairs Program (MAP) Handbill – a regular newsletter released the last Tuesday of every month that



highlights the major news stories, research products, analyses, and events occurring in or with regard to the global maritime domain during the past month.

# 2023 Spotlights So Far

- May 2023: U.S. Shipping Reform Act (by Amanda Jin)
- <u>April 2023</u>: Joint Naval Exercises (by Jessica Martin)
- <u>March 2023</u>: Strait of Malacca (by Yilun Zhang)
- <u>February 2023</u>: Carrier Strike Group (by Alec Caruana)
- January 2023: The Black Sea (by Jessica Martin)

# Explore & Share the Archive:

https://chinaus-icas.org/icas-maritime-affairs-program/map-publications/map-spotlights/

Learn About All MAP Publications and Projects: <u>https://chinaus-icas.org/icas-maritime-affairs-program/map-publications/</u>

# - ICAS Announcement -

All ICAS Newsletters Now Have Official ISSNs!

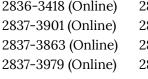
As part of efforts by ICAS to increase access to and awareness of regular content, all four newsletters produced by ICAS now have official International Standard Serial Numbers (ISSNs) assigned by the U.S. Library of Congress. Each newsletter has two ISSNs, one assigned to its printed volumes and the other assigned to its online issues, though the contents of the two are equivalent.

- ICAS Bulletin
- Maritime Affairs Program Handbill
- Trade 'n Technology Program Dispatch
- Blue Carbon & Climate Change Quarterly

Explore All ICAS Newsletters: <u>https://chinaus-icas.org/newsletters/</u>

 BCCC Expert Voices Initiative Interview –
 Expert Voices Initiative Interview - André Aquino May 2023

Blue carbon, as a significant carbon sink and a natural defense line of coastal communities, plays an important role in mitigating climate change and preventing climate-related damages. However, many developing countries with rich blue carbon natural resources lack matching funds and technologies. Meanwhile, many countries with more advanced technologies and



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sufficient funds are inherently insufficient in the stock of blue carbon natural resources.

Thus, inspired by the "loss and damage" fund of COP27, the Institute for China-America Studies BCCC Program is holding an Expert Voice Initiative (EVI) interview to explore the possibilities for cooperation between developing and developed countries on blue carbon to protect, restore, develop, and utilize blue carbon resources.

This Expert Voices Initiative (EVI) interview, conducted virtually from the ICAS Office in Washington, D.C. on May 25, 2023 by Zhangchen Wang, will be released the first week of June 2023 on the ICAS YouTube page and EVI webpage.

About the ICAS Expert Voices Initiative: <u>https://chinaus-icas.org/media/expert-voices-initiatives/</u> Explore the Full EVI Archives: <u>https://chinaus-icas.org/media/expert-voices-initiative-archive/</u>

# - MAP Academic Engagement -

Executive Director Nong Hong Speaks at a Virtual Discussion on 'China-US Dialogue on Maritime Policy' by Tsinghua University (CISS) Thursday, April 27 - Friday, April 28, 2023

From April 27-28, 2023, Dr. Nong Hong, spoke in a virtual discussion on 'China-US Dialogue on Maritime Policy'. The discussion was hosted by the Center for International Security and Strategy (CISS) at Tsinghua University.

# - MAP Academic Engagement -

Executive Director Nong Hong participates in the 8th International Maritime Security Conference in Singapore Thursday, May 4 - Friday, May 5, 2023

From May 4-5, 2023, Dr. Nong Hong participated in the 8th International Maritime Security Conference in Singapore in an academic capacity. The conference was hosted by the S. Rajaratnam School of International Studies (RSIS)

About the Conference:

https://www.rsis.edu.sg/research/idss/research-programmes/maritime-security-programme/im sc/

