

**REPORT OF THE  
TWENTY-FIRST ASEAN SENIOR TRANSPORT OFFICIALS MEETING  
17-18 MAY 2006, CHIANG MAI, THAILAND**

**INTRODUCTION**

1. The Twenty-First ASEAN Senior Transport Officials Meeting (STOM) was held on 17-18 May 2006 in Chiang Mai, Thailand.
2. The Meeting was attended by delegates from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. Staff members of the ASEAN Secretariat were present. Respective representatives from the Ministry of Land, Infrastructure and Transport (MLIT) of Japan and the Asian Development Bank (ADB) were also in attendance as observer. The complete list of delegates appears as **ANNEX A**.

**OPENING CEREMONY**

3. H.E Mr Mahidol Chantrangkurn, Vice Minister for Transport of Thailand, officially opened the Meeting. In his Opening Remarks, H.E Mahidol warmly welcomed all delegates to Chiang Mai. He expressed his gratitude to the Government and the People of the Lao PDR, in particular, the Ministry of Communication, Transport, Post and Construction for hosting successfully the 19<sup>th</sup> and 20<sup>th</sup> STOMs and the 11<sup>th</sup> ATM in Vientiane. He highlighted that the ASEAN Framework Agreement on Multimodal Transport, signed at the 11<sup>th</sup> ATM in Vientiane, will further facilitate the door-to-door delivery of goods, using various modes of transport under a single transport document. He expressed hope in signing the Protocol 1 on Designation of Transport Routes and Facilities of the 1998 ASEAN Framework Agreement on Facilitation of Goods in Transit, applying the "ASEAN minus X" formula in its implementation, at the 12<sup>th</sup> ATM in 2006 in Thailand. He also believed that with mutual respect and understanding, ASEAN will be able to reach a solution for the common goal, and in this regard, all ASEAN Member Countries are urged to deliberate collaboratively to conclude and operationalize the mandated programmes. Finally, he thanked all parties for the concerted efforts contributed for the successful arrangement of the 21<sup>st</sup> STOM. H.E Mahidol's full Opening Remarks appears as **ANNEX B**.

**AGENDA ITEM 1: OPENING REMARKS OF THE OUTGOING CHAIRMAN**

4. In his Opening Remarks as the Outgoing Chairman, Mr. Math Sounmala, Director General for Planning and Cooperation, Ministry of Communication, Transport, Post and Construction and STOM Leader for Lao PDR, thanked the Meeting for its guidance, cooperation and support during Lao PDR's tenure as the Chairman of the 19<sup>th</sup> and 20<sup>th</sup> STOM. He highlighted that Lao PDR was proud to host the 20<sup>th</sup> STOM in view that Vientiane was the venue of the successful signing of the ASEAN Framework Agreement on Multimodal Transport by the 11<sup>th</sup> ATM, as well as the discussion on the final text of Protocol 1 on Designation of Transit Transport Routes. He also recalled the substantive progress in advancing the Roadmap for the Integration of the Air Travel Sector, and the decision to speed-up conclusion of the Fifth Package of Commitments on Air Transport Services with expanded sub-sectoral coverage, as well as other notable accomplishments in the ASEAN Transport Action Plan (ATAP) 2005-2010, during his tenure as the STOM Chairman. He expressed confidence that the Meeting would demonstrate the same level of support to the incoming Chairman. The full text of his Opening Remarks appears as **ANNEX C**.

## **AGENDA ITEM 2: ELECTION OF CHAIRMAN AND VICE-CHAIRMAN**

5. The Meeting unanimously elected Mr. Kumropluk Suraswadi, STOM Leader for Thailand, and BG (NS) Choi Shing Kwok, STOM Leader for Singapore, as Chairman and Vice-Chairman for the 21<sup>st</sup> and 22<sup>nd</sup> STOM Meetings, respectively.
6. The Chairman, in his Opening Remarks, thanked Lao PDR, the outgoing STOM Chairman, for the able chairmanship which made the 19<sup>th</sup> and 20<sup>th</sup> STOM Meetings a success. He reminded the Meeting to consider and, if possible, finalize the pending ASEAN transport cooperation agreements, in particular, Protocol 1 on Designation of Transit Transport Routes and Facilities of the ASEAN Framework Agreement on Facilitation of Goods in Transit which was signed back in the year 1998. He encouraged the Meeting to conclude the Protocol in order to be signed in the forthcoming 12<sup>th</sup> ATM, tentatively scheduled to be held in November in 2006. The full text of his Welcoming Statement appears as ANNEX D.

## **AGENDA ITEM 3: ADOPTION OF AGENDA**

7. The Meeting considered and adopted the Agenda which appears as ANNEX E.

## **AGENDA ITEM 4: BUSINESS ARRANGEMENTS**

8. The Meeting was convened in plenary.

## **AGENDA ITEM 5: DECISIONS/FOLLOW-UP REQUIREMENTS FROM ELEVENTH ASEAN SUMMIT AND OTHER ASEAN COORDINATING MEETING**

9. The ASEAN Secretariat briefed the Meeting on the relevant outcomes of the Eleventh ASEAN Summit and other related meetings held on 12-14 December 2005 in Kuala Lumpur, Malaysia, as well as the relevant developments arising from the 1<sup>st</sup> and 2<sup>nd</sup> ASEAN Senior Economic Officials Meeting of the Thirty-Seventh ASEAN Economic Ministers Meeting (SEOM 1/37 and SEOM 2/37) held on 17-20 January 2006 in Vientiane, Lao PDR, and 20-22 March 2006 in Kuala Lumpur respectively.
10. In particular, the Meeting noted the following decisions:

- (a) The Economic and Development Cooperation Agreement signed between ASEAN and Russia on 10 December 2005 at the 1<sup>st</sup> ASEAN-Russia Summit in Kuala Lumpur had included transport cooperation in the promotion of exchanging information on their respective transport policies and practices, especially regarding urban transport, maritime transport, transport logistics and the interconnection and inter-operability of multimodal transport networks, as well as the management of railways, ports and airports. It also explored possibilities for joint cooperation in the identification and selection of routes linking the two regions and the development of transport infrastructure and networks, as well as transport-related activities;
- (b) The Framework Agreement on Comprehensive Economic Cooperation signed between ASEAN and the Republic of Korea on 13 December 2005 at the 9<sup>th</sup> ASEAN-Korea Summit agreed, on the basis of

mutual benefit, to explore and undertake cooperation projects in shipbuilding and maritime transport, which include information exchange, experience sharing and promoting exchange of experts;

(c) To realize the goals and objectives set forth in the Joint Vision Statement on the ASEAN-U.S. Enhanced Partnership, an ASEAN-US Plan of Action was formulated to serve as the master plan to enhance ASEAN-U.S. relations and cooperation in a comprehensive and mutually beneficial manner for the next 5 years (2006-2011). In the light of the above, ASEAN and the U.S. endeavour to pursue the following joint transport actions and measures, amongst others:

(i) senior official-level consultations on transport with a view to strengthening ASEAN integration in the transport sector, including further liberalization of civil aviation, in line with the ASEAN Roadmap for Integration of Air Travel Sector (RIATS), and

(ii) Forge closer cooperation to enhance transport infrastructure, networks and operations, including air, maritime, road, rail, and multi-modal transport, for fast, efficient, safe, and secure movement of people and goods, as well as for clean urban transport, in and among ASEAN Member Countries and between ASEAN Member Countries and the U.S.

(d) Viet Nam agreed to take on the role of the Country Coordinator for the Logistics sector, which the Economic Ministers endorsed as the 12<sup>th</sup> ASEAN Priority Sector for Integration. Viet Nam informed the Senior Economic Officials Meeting (SEOM) 2/37 of her intention to draft a roadmap for this sector but given that this sector is broad and cuts across various sectors, such a roadmap may have to initially focus on measures on logistics pertaining to the 11 priority sectors, and

(e) A World Bank-supported study to provide valuable inputs/recommendations in further enhancing the implementation of the Roadmap for Air Travel Sector Integration and in the content development of the ASEAN Single Aviation Market, was presented to the Special SEOM in Bangkok, Thailand on 3-4 May 2006. The ASEAN Secretariat will provide the Consultants' draft report for discussion at the 14<sup>th</sup> Air Transport Working Group (ATWG) Meeting in Bandung, Indonesia in September 2006.

11. The ASEAN Secretariat informed the Meeting that the second Consultative Meeting for the Priority Integration Sectors (COPS II) will be convened in the ASEAN Secretariat in Jakarta from 12-13 June 2006. The participants will include representations from both public and private sectors in ASEAN, to discuss the new and improved measures for the implementation of the integration roadmaps. The Chairpersons of STOM and ATWG had been invited in view that Air Travel is one of the Eleven Priority Sectors of Integration.

12. The Meeting tasked the respective STOM Working Groups to identify and propose relevant transport activities and initiatives for consideration in view of ASEAN's economic cooperation agreements with the Republic of Korea and the Russian Federation.

## **AGENDA ITEM 6: MAJOR TRANSPORT PROGRAMS/INITIATIVES FOR THE 12<sup>th</sup> ASEAN TRANSPORT MINISTERS (ATM)'S CONSIDERATION/ADOPTION**

### **6.1 PROTOCOL 1 – DESIGNATION OF TRANSIT TRANSPORT ROUTES AND FACILITIES**

13. The Meeting recalled that the 11<sup>th</sup> ATM Meeting in Vientiane, Lao PDR on 17 November 2005, had adopted the final text of Protocol 1 on Designation of Transit Transport Routes (TTRs) and Facilities of the 1998 ASEAN Framework Agreement on Facilitation of Goods in Transit, applying the "ASEAN Minus X" Formula in its implementation, for signing in the 12<sup>th</sup> ATM Meeting in Thailand in 2006. The Meeting also recalled that the Member Countries will finalize the Annex on TTRs in time for the 21<sup>st</sup> STOM.
14. The ASEAN Secretariat informed the Meeting that the 11<sup>th</sup> Transport Facilitation Working Group (TFWG) Meeting in Phnom Penh on 23-24 February 2006, had discussed, and provided the confirmation on the respective TTRs of the Final Draft of Protocol 1.
15. Malaysia informed the Meeting that domestic consultation on its TTRs is still under process, and should be able to provide an update at the next TFWG Meeting in Siem Reap, Cambodia in July 2006. Malaysia indicated its readiness to sign the Protocol 1, pending the outcome of its consultation.
16. Following the confirmation/advice on the TTRs by Member Countries, and noting that there was an emerging consensus for the readiness of Member Countries to sign the Protocol 1 in the 12<sup>th</sup> ATM, the Meeting requested the Member Countries to undertake its domestic formalities for their Ministers to sign the Protocol 1 at the 12<sup>th</sup> ATM. The updated list of TTRs appears as ANNEX F.

## **6.2 FIFTH PACKAGE OF COMMITMENTS FOR AIR TRANSPORT SECTORAL NEGOTIATIONS UNDER THE ASEAN FRAMEWORK AGREEMENT ON SERVICES (AFAS)**

17. Indonesia, as Chairman of the ASEAN Air Transport Sectoral Negotiations Meeting, briefed the Meeting on the outcomes and relevant developments arising from the Third Meeting of the Fourth Round of Air Transport Sectoral Negotiations, held on 25 April 2006 in Surabaya, Indonesia, in particularly, the negotiations for the Fifth Package of Commitments under AFAS, and on the proposal to have the Fifth Package for Air Transport concluded at the 12<sup>th</sup> ATM Meeting.
18. The Meeting, in particular, welcomed the indicative offers submitted by Cambodia on "Aircraft Leasing with Crew"; Singapore and Thailand on "Air Freight Forwarding Services", as well as the offers by Malaysia and the Philippines on "Aircraft Leasing Without Crew", all for the inclusion under the Fifth Package of the Fourth Round of Negotiations under the ASEAN Framework Agreement on Services (AFAS). The Meeting was also pleased to note the indicative interests expressed by the concerned Member Countries as follows, for submission and inclusion under the Fifth Package of Commitments (i) Lao PDR on "Aircraft Leasing Without Crew" and "Aircraft Leasing With Crew"; and (ii) Viet Nam on "Leasing Aircraft with Crew". These two Member Countries would provide the formal submissions at the soonest.
19. Recalling the decisions of the 11<sup>th</sup> ATM and the 20<sup>th</sup> STOM to finalize the Fifth Package of Commitments for further review/consideration in the 21<sup>st</sup> STOM, the Meeting encouraged ATWG and the Air Transport Sectoral Negotiations Meeting to conclude the Fifth Package of Commitments on air transport services with expanded sub-sectoral coverage, at the next ATWG Meeting, in time for eventual conclusion at the 12<sup>th</sup> ATM Meeting.

The ASEAN Secretariat will provide Member Countries, at the soonest, the draft text of the Protocol on the Fifth Package of Commitments for their domestic formalities.

### **6.3 FINALISATION OF THE PROTOCOL TO AMEND THE 2002 ASEAN MOU ON AIR FREIGHT SERVICES**

20. The Meeting recalled the 20<sup>th</sup> STOM decision for ATWG to conclude the Protocol to amend the 2002 ASEAN MOU on Air Freight Services to increase tonnage to 250 tons weekly and to provide for additional designated points by 2006. In this regard, Indonesia, as Chairman, updated the Meeting on the outcome of the 13<sup>th</sup> ASEAN ATWG Meeting in Surabaya, Indonesia on 26-28 April 2006.
21. The Meeting noted Lao PDR's confirmation on their new designated points of Luang Prabang and Pakse. Lao PDR will submit an official notification to the ASEAN Secretariat in due course. The Meeting also adopted the Protocol to Amend the ASEAN MOU on Air Freight Services, subject to the final confirmation by Viet Nam on its proposed new designated points of Ho Chi Minh City and Chu Lai. Viet Nam informed the Meeting that it will submit the formal confirmation on its new designated points in due course.
22. Member Countries shall undertake domestic formalities and confirm on their signatory i.e. STOM Leader or Director-General of Civil Aviation (DGCA) for the Protocol in time for the 14<sup>th</sup> ATWG Meeting in Bandung, Indonesia in September 2006. The final draft of the Protocol appears as ANNEX G.

### **6.4 FINALISATION / CONCLUSION OF OTHER ASEAN TRANSPORT COOPERATION AGREEMENTS**

#### **(a) Protocol 6 - Railway Border and Interchange Stations**

23. Myanmar, as Chairman, briefed the Meeting on the finalisation of Protocol 6 that was deliberated during the 11<sup>th</sup> Land Transport Working Group (LTWG) Meeting on 3-4 May 2006 in Yangon. The Meeting took note that there have been no changes in Singapore's position since the last LTWG Meeting.
24. Recognising the difficulties faced by some Member Countries and noting the different stages of the railway infrastructure development in the region, the Meeting agreed to recommend to the 12<sup>th</sup> ATM to defer the finalisation/conclusion of Protocol 6 till such time when all the missing links and spur lines in the Singapore-Kunming Rail Link (SKRL) have been constructed/completed. In the meantime, Member Countries are encouraged to accelerate bilateral and multilateral inter-railway arrangements between the relevant Railway Organisations to facilitate cross-border movement.

#### **(b) ASEAN Framework Agreement on the Facilitation of Inter-State Transport**

25. Cambodia, as Chairman, updated the Meeting on the finalization of ASEAN Framework Agreement on the Facilitation of Inter-State Transport from the 11<sup>th</sup> TFWG Meeting in Phnom Penh on 23-24 February 2006.
26. The Meeting recalled Malaysia's non-participation in the deliberations of the Inter-State Transport Agreement since the 5<sup>th</sup> TFWG Meeting. Upon the appeal and request by Thailand, which was echoed by the other

Member Countries, Malaysia informed the Meeting that it is agreeable to participate in the deliberations of the Inter-State Transport Agreement from the next TFWG Meeting.

27. In order to facilitate the deliberations of the Inter-State Transport Agreement, the Meeting requested the TFWG to take into account similar arrangement and/or best practices under the Greater Mekong Sub-region (GMS) Cross-Border Transport Agreement and existing bilateral road transport agreements (e.g. Lao PDR-Thailand, Lao PDR-Viet Nam, Cambodia-Viet Nam etc), as appropriate.

## **6.5 FINALISATION OF IMPLEMENTATION MEASURES FOR INTERGRATION OF ASEAN AIR TRAVEL SECTOR**

28. Indonesia, as Chairman, briefed the Meeting on the related outcomes of the following agreements/initiatives from the 13<sup>th</sup> ATWG Meeting held in Surabaya on 26-28 April 2006 i.e. (i) ASEAN Multilateral Agreement on the Full Liberalization of Air Freight Services; (ii) ASEAN Multilateral Agreement on Air Services, (iii) Single Aviation Market in ASEAN.

29. The Meeting commended the ATWG's significant progress in the finalisation of implementation measures for integration of the ASEAN Air Travel sector, and endorsed the following courses-of-action:

### (a) ASEAN Multilateral Agreement on the Full Liberalization of Air Freight Services

- Expanding the 13<sup>th</sup> ATWG's draft of the said Agreement on the Full Liberalization of Air Freight Services, which appears as **ANNEX H**, to include appropriate clauses/provisions normally contained in other relevant bilateral or multilateral agreements. Indonesia, in collaboration with Viet Nam, will take the lead to further improve on the draft multilateral agreement and thereafter, to circulate to all Member Countries, through the ASEAN Secretariat, for further comments.
- As a follow-up, the Meeting tasked the ATWG to finalise the expanded agreement by its 14<sup>th</sup> Meeting, in time for the possible signing at the 12<sup>th</sup> ATM Meeting.

### (b) ASEAN Multilateral Agreement on Air Services

- The 14<sup>th</sup> ATWG meeting will further deliberate and finalise the details of the annexes and the implementing protocols to clearly set the mechanism for the implementation for the specific measures and timelines for the scheduled passenger air services as set under the Roadmap for the Integration of the Air Travel Sector.
- The initiative to fast track/accelerate the integration of the air travel sector (scheduled passenger services), including Singapore's submission, will be actively considered in parallel with the ATWG discussion of the ASEAN Multilateral Agreement on Air Services.

### (c) Single Aviation Market in ASEAN.

- The ASEAN Secretariat will circulate the World Bank Study Report for further inputs/comments by Member Countries. This Study is expected to further enhance the implementation of the Roadmap for Air Travel Sector Integration and in the content development of the ASEAN Single Aviation Market.

## **6.6 IMPLEMENTATION OF THE ASEAN FRAMEWORK AGREEMENT ON MULTIMODAL TRANSPORT (MT AGREEMENT)**

30. The Meeting recalled that under Article 41 (2), the MT Agreement shall enter into force upon the 30<sup>th</sup> day after the deposit of the second Instrument of Ratification or Acceptance, and shall become effective only among the Member Countries that have ratified or accepted it.
31. Pursuant to Article 32(3) of the MT Agreement, five Member Countries i.e. Brunei Darussalam, Cambodia, Indonesia, Malaysia, and Thailand have officially notified the Secretary-General of ASEAN of their inability to authorize multimodal transport operators from other ASEAN Member Countries to operate in their territories, including the reasons thereof as required within six months ending on 16 May 2006. Myanmar, the Philippines, Singapore and Viet Nam also informed that they cannot do likewise, and will submit the official notices upon the completion of their internal formalities.
32. Member Countries requested for Thailand and Viet Nam, who have already national multimodal transport legislation in place, to provide a copy of their national laws to serve as reference.

## **6.7 ROADMAP TOWARDS AN INTEGRATED AND COMPETITIVE MARITIME TRANSPORT IN ASEAN**

33. Thailand, as Chairman, briefed the Meeting on the outcome on the discussion on the Roadmap Towards an Integrated and Competitive Maritime Transport in ASEAN, arising from the 11<sup>th</sup> Maritime Transport Working Group (MTWG) Meeting in Phuket, Thailand on 4-5 April 2006.
34. Following the request from 11<sup>th</sup> MTWG Meeting for guidance on the concept on "a single ASEAN voice" (Measure I), the Meeting clarified that this will mean achieving consensus on issues of common interest and of mutual benefits to the ASEAN Member Countries, with the implementation on a case-to-case basis, towards developing of an integrated and competitive regional maritime transport environment.
35. The Meeting noted the following comments towards the finalisation of the roadmap:
- A medium-term objective would be the promotion of greater cooperation/consultation on measures to improve the efficiency and competitiveness of shipping services between ASEAN ports, in lieu of a common shipping policy, which would be a long-term goal;
  - The market integration measures to align with the progressive liberalisation of the maritime transport services sector under the ASEAN Framework Agreement on Services (AFAS);
  - To re-visit the proposal on the flexibility of implementation on the cabotage principle, where possible, with a view to determining the readiness, necessity and capacity, among the Member Countries.
36. Based on the above inputs, the Meeting requested the MTWG to finalise the Roadmap, at the next MTWG.

## **AGENDA ITEM 7: CONSIDERATION OF THE REPORTS OF THE STOM WORKING GROUPS**

37. The STOM Working Group Chairmen briefed the Meeting on the related actions/decisions for the expeditious and effective implementation of the sectoral major programs, projects and activities in the Vientiane Action Programme (VAP) 2004-2010 and the ASEAN Transport Action Plan (ATAP) 2005-2010.

### **7.1 Report of the 11<sup>th</sup> ASEAN Transport Facilitation Working Group Meeting, 23-24 February 2006, Phnom Penh, Cambodia**

38. In addition to the decisions and developments as reported under Agenda Items 6.1 and 6.4(b), Cambodia, as Chairman, informed the Meeting that the TFWG would undertake the following courses of action on the implementation of the ASEAN Framework Agreement on the Multimodal Transport:

- (a) to engage the private sector, e.g. the ASEAN Federation of Forwarders Association (AFFA), as well as relevant international organizations such as UNESCAP and ADB, to better understand the global, operational and business perspectives of the Multimodal Transport Operations, and
- (b) to devote a one-full-day forum, with participation from AFFA and representatives from the national freight forwarders and other national relevant agencies, in conjunction with the future TFWG Meetings, to discuss and exchange ideas on multimodal transport operation development.

39. The Meeting noted that the Marine Department of Thailand had jointly organized with UNESCAP National Seminars and Training of Trainers Workshop on Multimodal Transport in Cambodia, Lao PDR, and Viet Nam. The Meeting noted that the proposed workshop scheduled in Myanmar has been postponed to 3-7 July 2006. Myanmar has agreed to Brunei Darussalam's request to participate in the said workshop.

40. The Meeting requested the Member Countries to provide/list the steps-to-be-taken which would be undertaken for the eventual implementation of the ASEAN Multimodal Transport Agreement. This would be discussed at the next TFWG Meeting.

### **7.2 Report of the 11<sup>th</sup> ASEAN Maritime Transport Working Group Meeting, 4-5 April 2006, Phuket, Thailand**

41. In addition to the outcome as reported under Agenda Item 6.7, Thailand, as Chairman, briefed the Meeting on the addition decisions and developments, amongst others, of the 11<sup>th</sup> MTWG Meeting as follows:

- (a) Two TORs on the "Study on Introduction of High-speed Cargo and Passenger Vessels", and "Strengthening Maritime Transport Human Resource Capacity", are ready for submission for possible funding, upon 21<sup>st</sup> STOM's approval, and
- (b) Noting that there has been no response from Joint War Committee (JWC) with regard to the ASEAN Secretariat's letter of 14 September 2005 to remove the Straits of Malacca from the list of War Risk areas, the 11<sup>th</sup> MTWG Meeting agreed to recommend to STOM for the ASEAN Secretariat to send a letter to JWC in STOM's name, to express concerns on the continued unilateral action taken by JWC to include the Straits of Malacca in the list of War Risk areas.

42. The Philippines informed the Meeting that its IMO-ASEAN Follow-Through project, "Development of Guidelines for the Maritime Administrations seeking to Implement Audit-based System and the Procedures to Enhance Ship Survey Operations" is on-going. The first workshop on the Philippines surveyors/ISM auditors to identify related element(s) and the functional procedures/work instructions in the ISM Code, had been concluded. In view of the need to book in advance the consultation meetings with the auditors of Indonesia, Malaysia and Viet Nam, the Philippines requested for the remittance of the remaining balance of the IMO fund. It also provided the ASEAN Secretariat with an updated proposed work plans and time schedule.

43. The Meeting also noted the updates by Member Countries on the maritime transport sector:

(a) Malaysia reported that:

- 20 participants took part in its IMO-ASEAN Follow-Through Workshop in Penang from 10-14 April 2006. Two Malaysian consultants will be organising similar courses in the Philippines.
- Already developed and distributed the questionnaire survey on the "Strengthen maritime transport human resource capacity", and is now in the process of compiling the feedback.
- There will be an APEC Economies on Implementing and Sustaining Strategies for Port Security Seminar in Kuala Lumpur on 12-15 June 2006.
- It is working towards the 11<sup>th</sup> MTWG's proposal on safety regulations for all non-convention ships engaging in NCV.
- In principle, it has no objection to accept the draft ASEAN-China Maritime Transport Agreement so long as it does not contain liberalisation provisions as agreed in the 11<sup>th</sup> MTWG Meeting in Phuket. It has submitted the draft to its Legal Department for further comments and inputs.

(b) Brunei Darussalam will be hosting the Main Committee Meeting of the 32<sup>nd</sup> ASEAN Port Association (APA) in early November 2006. Brunei Darussalam will be extending an official invitation to all APA Member Countries in due course.

44. The Meeting approved the following issues which would serve as policy-guidance to the MTWG:

- (a) The two TORs on the "Study on Introduction of High-speed Cargo and Passenger Vessels", and the "Strengthening Maritime Transport Human Resource Capacity", to be submitted to Japan for possible funding;
- (b) The convening of the expert group to draw up safety regulations for ASEAN-flag vessels to include non-convention ships engaging in near coastal voyage as part of the Thailand's initiative of "Safety Aspect on Non-Convention Vessels in ASEAN";
- (c) The ASEAN Secretariat to send a letter to the JWC, in STOM's name, to express concerns on the continued inclusion of the Straits of Malacca in the list of War Risk areas, and
- (d) The reconvening of the ASEAN Cruise Working Group Meeting to address and implement the ASEAN-Japan Cruise Promotion Strategy as well as the measures in the roadmap for integration of the Tourism sector.

### **7.3 Report of the 13<sup>th</sup> ASEAN Air Transport Working Group Meeting, 26 – 27 April 2006, Surabaya, Indonesia**

45. In addition to the decisions and developments as reported under Agenda Items 6.2, 6.3 and 6.5, Indonesia, as Chairman, informed the Meeting that five Member Countries had nominated seven designated airlines for the implementation of the 2002 ASEAN MOU on Air Freight Services i.e. PT Garuda Indonesia and PT Republic Express (Indonesia); Malaysia Airlines and Transmile Air Services Sdn Bhd (Malaysia); Myanmar Airways International Co., Ltd (Myanmar); Singapore Airlines Cargo Limited (Singapore), Thai Airways International Plc (Thailand), and Vietnam Airlines, Pacific Airlines and Vietnam Air Services Company (Viet Nam). Lao PDR, and the Philippines are in the process of finalizing the designation of their airlines.
46. Indonesia also highlighted that the 9th ASEAN Airlines Meeting supported the progressive liberalization of passenger scheduled services based on the existing timelines in the ASEAN Open Sky Roadmap for integration, as well as the increment of tonnage on cargo air services to 250 tons/week and to have additional points on step-by-step basis. However, to partially defray the cost, all ASEAN airlines requested the ASEAN governments to sympathetically support the airlines' request to increase the fuel surcharge. The ASEAN Airlines also noted a proposal that third-country code-share arrangement at 5<sup>th</sup> freedom point implemented among ASEAN carriers as a marketing party shall not be counted against the frequency entitlement.
47. The Meeting endorsed the ATWG's proposal to revive the Joint ASEAN STOM-NTOs Consultation, with expanded participation from ASEANTA and the ASEAN Airlines Meeting. The Meeting also agreed that the ASEAN Air Transport Officials to work closely with the ASEAN NTOs. In this regard, the Meeting agreed to seek for ASEAN NTOs further guidance on how best to advance the integration of those two priority sectors.

### **7.4 Report of the 11<sup>th</sup> ASEAN Land Transport Working Group Meeting, 3-4 May 2006, Yangon, Myanmar**

48. In addition to the decision and development as reported under Agenda Item 6.4(a), Myanmar, as Chairman, informed the Meeting that the Global Road Safety Partnership (GRSP) has managed to secure an estimated US\$3million, with additional support coming from national ASEAN governments, for the Global Road Safety Initiative (GRSI) programme within the ASEAN region through public-private partnership. The GRSI programme has commenced with the appointment of a Bangkok-based regional coordinator, a training need assessment study, and a planning for in-country helmet workshop. The first phase of the workshop will include Lao PDR, Thailand, and Viet Nam in the third quarter of 2006. The second phase, focusing on Cambodia, Myanmar and the Philippines, will be in the fourth quarter 2006, and Indonesia as well as Malaysia would be in early 2007. The ASEAN-ADB-GRSP Road Safety Conference will be re-introduced in early 2007, on an annual basis. This Conference will provide a forum to report and develop road safety initiative.
49. The Meeting also noted that the Second ASEAN+3 (China, Japan and Korea) New and Renewable Energy (NRA) and Energy Efficiency and Conservation (EEC) Forum held in Kuala Lumpur, Malaysia on 16-17 January 2006, had agreed to discuss the promotion of energy efficiency in the transport sector and other possible cooperation activities with STOM at the next EEC-Sub Sector Network Meeting. In this regard, the Meeting requested the ASEAN Secretariat to seek the details and venue of the EEC-Sub Sector Network Meeting, and advise to provide such information to STOM.

50. The Meeting concurred with the Philippines that the LTWG to reconsider the proposal on the possibility of merging the initiative, "Promote intra-ASEAN development of environmentally friendly transport vehicles through the use of alternative fuels" with the ongoing ASEAN-Japan Land Transport (AJLT)-7 project, as it may dilute the original project objective. The Meeting encouraged the LTWG to further discuss this matter in its next meeting.
51. The Meeting considered and adopted all Reports of the STOM Working Group Meetings, including their recommendations. These appear jointly as **ANNEX I**.

## **AGENDA ITEM 8: FOURTH ROUND OF TRANSPORT SECTORAL NEGOTIATIONS UNDER THE ASEAN FRAMEWORK AGREEMENT ON SERVICES (AFAS)**

### **8.1 Air Transport**

52. Indonesia, as Chairman, briefed the Meeting on the highlights of the Third Meeting of the Fourth Round of Air Transport Sectoral Negotiations (ATSN), 25 April 2006, Surabaya, Indonesia. This includes:
- (a) The status of stock-taking exercise on the existing institutional set-ups and regulatory regimes for Air Transport Ancillary Services is to be completed, and
  - (b) Member Countries are encouraged to expedite the domestic formalities for the ratification/acceptance of the Protocol to Implement the Fourth Package of Commitments on Air Transport Services under the ASEAN Framework Agreement on Services.
53. The Meeting noted Brunei Darussalam's proposal for the ATSN to develop a similar matrix-tabulation on the list of common sub-sectors of maritime transport services, as practised by the Maritime Transport Sectoral Negotiation Working Group.

### **8.2 Maritime Transport**

54. Thailand, as host, briefed the Meeting on the developments arising from the 16<sup>th</sup> Meeting of the Maritime Transport Sectoral Negotiation Working Group held on 25-26 April 2006 in Bangkok. The Meeting noted the following highlights, amongst others:
- (a) Member Countries are encouraged to prioritize their offers in 6 mandatory sub-sectors, i.e. International Freight Transportation, International Passenger Transportation, Maritime Agency Services, Maritime Cargo Handling Services, Maritime Freight Forwarding Services, and Storage and Warehousing Services. In addition, Member Countries are encouraged to submit their offers in non-mandatory sub-sectors including Maintenance and Repair of Vessels, Vessel Salvage and Refloating Services and Classification Societies. Member Countries may also submit their offers for the sub-sectors listed in the ASEAN Universal List;
  - (b) The Maritime Transport Sectoral Negotiation Working Group expressed strong concern on the low attendance by Member Countries in the WG Meeting as this may lead to the delay of the work towards liberalisation.

55. The Meeting noted that the market integration component of the draft Roadmap Towards an Integrated and Competitive Maritime Transport in ASEAN calls for certain degree of liberalisation of some maritime transport sub-sectors. In view of this, the liberalisation of maritime transport services under AFAS and the draft Roadmap should move into the same direction and be consistent with one another so that Member Countries would not be pressurized to liberalize their maritime transport sub-sectors by different approaches proposed by the two fora. This means the market integration component of the draft Roadmap can be adopted as a part of mapping liberalisation of maritime transport services towards 2015. As a result, the Meeting agreed to wait for the finalization of the draft Roadmap before taking it as an approach towards liberalisation by 2015.
56. To better address the above issue, the Meeting agreed to propose to the ATM for the transfer of the scope and function of the Maritime Transport Sectoral Negotiation Working Group from the CCS back to the purview of STOM, at the start of the Fifth Round of Negotiation. As a follow-up, the Meeting requested Member Countries to seek domestic formalities on this suggestion. In the meantime, the Meeting tasked the ASEAN Secretariat to seek domestic consultations with its colleagues who are supporting the CCS Meetings, on STOM's request. The outcome of the consultations will be reported at the next STOM/ATM.
57. The Meeting considered and adopted the Report of the Air Transport Working Group, including their recommendations. This appears as ANNEX J. The Meeting noted the Report of the Maritime Transport Sectoral Negotiation Working Group.

## **AGENDA ITEM 9: ASEAN TRANSPORT SECURITY COOPERATION**

58. The Philippines reported that following the 20<sup>th</sup> STOM Meeting, Member Countries were not able to provide comments/inputs to the Philippines' draft TOR on the ASEAN Transport Security Cooperation prior to this Meeting. Pending the submission of comments/inputs, the Philippines circulated an improved draft, which outlines the objectives, policy thrusts, indicative cooperative areas, programmes and activities, and implementing arrangements for ASEAN Transport Security Cooperation.
59. The Meeting exchanged views on the improved draft TOR, and agreed on the revised draft TOR, which incorporated the inputs from Brunei Darussalam, Malaysia and Singapore, which appears as ANNEX K.
60. The Meeting also agreed that this revised draft would serve as a guiding document in exploring cooperative activities/programmes/projects with Japan and other Dialogue Partners.

## **AGENDA ITEM 10: ASEAN TRANSPORT INFRASTRUCTURE PROJECTS**

### **10.1 ASEAN HIGHWAY NETWORK PROJECT**

61. Thailand, as Chairman, briefed the Meeting that the 10<sup>th</sup> ASEAN Highway Sub-Working Group in Phnom Penh on 21-22 February 2006, had agreed to recommend the following to STOM, through LTWG, to advance the ASEAN Highways Network Project:

- (i) the harmonization of road signage will first be undertaken to implement the approved ASEAN Highway Route Numbering System i.e. ASEAN Highway (AH) consisting of one, two or three digits;
- (ii) the harmonized ASEAN Route Numbering signs in the ASEAN Highway Network shall mean a rectangular-shaped sign with either green or blue for background, with white for the inscription for the ASEAN Highway Network route numbers;
- (iii) the installation of the harmonized Route Numbering signs in ASEAN Highway Network should be implemented in stages, with the first phase focusing on the designated highway Transit Transport Routes (TTR) under Protocol 1;
- (iv) Implementation of the harmonized Route Numbering signs in the TTRs would be done within the five year period or up to year 2011, and
- (v) Member Countries were encouraged to include in their on-going highways construction projects or those in the pipeline, the installation of the harmonised ASEAN Highway Route Numbering signs.

62. The Meeting endorsed to the above recommendations by the ASEAN Highways Sub-Working Group, and encouraged Member Countries to undertake all necessary domestic consultation to implement the abovementioned recommendations through either the 1999 Ministerial Understanding (MU) on the Development of the ASEAN Highway Network Project or to develop a new implementation Protocol to amend the 1999 MU.

63. The Meeting also requested Member Countries to provide their comments/inputs to the Chairman of the Highways Sub-Working Group, by end of August 2006, on the draft project proposal on the road signage harmonisation in ASEAN, which was presented by Thailand at the 10<sup>th</sup> ASEAN Highways Sub-Working Group Meeting, so that it may be submitted to the Government of Japan for possible technical and funding support.

## **10.2 Singapore-Kunming Rail Link (SKRL) Project**

64. Malaysia, as Chair of the Singapore-Kunming Rail Link (SKRL), updated the Meeting on the outcomes of the Seventh Special Working Group SKRL held on 29-30 June 2005 in Bangkok, as well as the Seventh Meeting of the Steering Committee on the ASEAN-Mekong Basin Development Cooperation (AMBDC) and the AMBDC Ministerial Meeting held on 25-28 November 2005 in Kuala Lumpur, Malaysia. The report of the AMBDC Meeting appears as ANNEX L.

65. The Meeting noted, amongst others, that with regard to the 48km Poipet-Sisophon missing link in Cambodia, Malaysia remains committed to donate 106 km of rail tracks. Malaysia is ready to transport these rail tracks to the Malaysia-Thailand border once Thailand is ready to transport them to the Thailand-Cambodia border.

66. Cambodia expressed its deepest appreciation to the government of Malaysia for the donation and transportation of the rail tracks. Cambodia also expressed similar appreciation to the Royal Government of Thailand for the transportation of these rail tracks to Cambodia. Cambodia is confident that the rail tracks would serve the benefits for the people of Cambodia as well as for facilitating the early completion on the missing link of the SKRL.

## **AGENDA ITEM 11: DEVELOPMENTS IN TRANSPORT COOPERATION WITH ASEAN DIALOGUE PARTNERS**

## 11.1 ASEAN - China Cooperation

67. The Meeting noted the following developments in transport cooperation with China:

- (a) The 11<sup>th</sup> MTWG Meeting had deliberated at length with regard to the two-step approach on the China's amended draft of ASEAN-China Maritime Transport Agreement, and had managed to introduce amendments to the Chinese draft agreement, based on inputs from Thailand and Singapore. The Meeting tasked the MTWG to achieve a possible common position on the draft agreement and to further discuss this matter at the next MTWG Meeting;
- (b) The 13<sup>th</sup> ATWG Meeting had agreed in-principle to the conceptual framework on ASEAN-China Regional Air Services Arrangements to advance ASEAN-China air passenger and cargo services, as well as concurring to China's proposal to convene a working group to further discuss and finalize the concept.

68. The ASEAN Secretariat also informed the Meeting that the relevant ASEAN-China transport initiatives, projects and activities implemented/to be implemented following the 4<sup>th</sup> ATM-China Meeting on 18 November 2005, Vientiane, Lao PDR, include:

- (a) the convening of a Workshop on International Shipping Cooperation on the Lancang-Mekong River in Kunming. The date of the workshop would be determined. The total cost of US\$99,250 would be funded by the China-ASEAN Cooperation Fund, and
- (b) the convening of Joint-Workshop on Technology of Ships between China and ASEAN on 25-29 July 2006 in Beijing, China.

## 11.2 ASEAN - India Cooperation

69. The ASEAN Secretariat briefed the Meeting on the highlights of the 3<sup>rd</sup> Meeting of the ASEAN-India Working Group on Transport and Infrastructure held in Chiang Mai, Thailand on 16 May 2006, which appears as **ANNEX M**.

70. The Meeting agreed that to facilitate the preparation of the preliminary work programme and to provide a greater and better appreciation of the ASEAN transport cooperation activities, India could be provided with the latest Reports of the four STOM Working Groups and that of the ASEAN Highways Sub-Working Group.

71. The Meeting also agreed to provide India with the status report of the respective projects under the ASEAN-China and ASEAN-Japan transport partnership programmes, subject to the concurrence of China and Japan.

## 11.3 ASEAN - Japan Cooperation

72. Japan presented to the Meeting on the content, proposed agenda and the schedule of activities of the 4<sup>th</sup> ASEAN-Japan STOM Leaders' Conference to be held in Miyazaki Prefecture, Japan on 7-8 June 2006. The

Meeting noted that the Miyazaki Conference would be expected to consider the preliminary draft Ministerial Declaration on Transport Security prepared by Japan, and that was presented to each ASEAN STOM Working Groups Meetings in April and May 2006. Japan will officially propose for the changing of the title from "ASEAN-Japan Transport Policy Workshop" to "4<sup>th</sup> ASEAN-Japan STOM Leaders' Conference" in the Miyazaki Conference.

73. The Meeting also noted on the outcome of the Ministerial Conference on International Transport Security, which was held in Tokyo on 11-13 January 2006. The Meeting agreed in principle to develop the draft Ministerial Declaration on Transport Security, which appears as **ANNEX N**, in time for consideration at the 4<sup>th</sup> ATM+Japan Meeting in Thailand in November 2006. The rest of Japan's presentations jointly appear as **ANNEX O**.
74. Member Countries expressed their appreciation to Japan for its continued technical support, as well as affirmed their commitment to collaborate closely with Japan in the implementation of the 21 ASEAN-Japan transport partnership projects.

#### **AGENDA ITEM 12: ADB's REGIONAL COOPERATION STRATEGY AND PROGRAM FOR SOUTHEAST ASIA: TRANSPORT DEVELOPMENT COMPONENT**

75. The Meeting noted with appreciation the ADB presentation on "Improving Regional Transport Efficiency: What Role ADB Can Play?", which illustrated ADB's overall transport strategic objective is to foster regional and sub-regional cooperation for transport integration and harmonized infrastructure development, strengthen intermodal/multimodal transport and logistics network system, and improve cross-border transport facilitation and infrastructure. ADB's presentation appears as **ANNEX P**.
76. The Meeting requested for ADB's greater involvement to work towards linking the ASEAN region with the rest of the world through its regional initiatives in facilitation of transport logistics. ADB also noted the request of Brunei Darussalam for the inclusion as part of ADB's initiative for regional cooperation.

#### **AGENDA ITEM 13: OTHER MATTERS**

##### **13.1 BIMP-EAGA TRANSPORT MINISTERS MEETING**

77. Brunei Darussalam informed the Meeting that the inaugural BIMP-EAGA Transport Ministers Meeting would be held in Bandar Seri Begawan on the 5-6 June 2006.

##### **13.2 UPDATED PROPOSAL ON THE ASEAN LOGISTICS DEVELOPMENT STUDY**

78. The Meeting endorsed on the recommendation by the 11<sup>th</sup> TFWG Meeting on the updated proposal for the ASEAN Logistics Development Study as prepared by the ASEAN Secretariat, as well as the recommended direct appointment of the consultant for the project.
79. The ASEAN Secretariat informed the Meeting that the original proposal of this project was previously endorsed at the 7<sup>th</sup> TFWG Meeting in 12-13 May 2004 in Vientiane, Lao PDR, and subsequently at the 17<sup>th</sup> STOM

Meeting in Siem Reap, Cambodia in 22-24 June 2004. It was re-endorsed by the 11<sup>th</sup> TFWG Meeting in Phnom Penh on 23-24 February 2006. The ASEAN Secretariat added that the updated study addresses the proposal for the Logistics sector to be included as the 12<sup>th</sup> sector for priority integration. The study proposal, which was already approved on an ad-referendum basis, is now planned for submission to the Japan for possible funding support.

### **13.3 IAI TRANSPORT PROJECTS**

80. The ASEAN Secretariat reported on the implementation of the transport related projects under the Initiative for ASEAN Integration (IAI). The Meeting noted that there are currently 10 transport projects in various stages of implementation. Of the eight projects, six projects have been completed and two projects are under implementation. In terms of funding, about USD 2.3 million has been secured for eight projects. One project is under funding consideration by China and one project remained unfunded.

### **13.4 STATUS OF RATIFICATION/ACCEPTANCE OF ASEAN TRANSPORT AGREEMENTS / PROTOCOLS**

81. The Meeting noted the briefing by ASEAN Secretariat regarding the ratification process and the positive development on the respective ASEAN Transport agreements/protocols, which appears as **ANNEX Q**.

82. To expedite the implementation of the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAGIT), the Meeting urged the ASEAN Customs Authorities for the finalisation and conclusion of Protocols 2 (Customs Frontier Posts) and 7 (Customs Transit Systems) to expedite the conclusion of the said protocols.

83. The Meeting also agreed that the initial implementation of the AFAGIT would be by road transport vehicles. The Meeting also agreed that with the deferment in the conclusion/finalisation of Protocol 6, Member Countries are urged to accelerate bilateral and multilateral inter-railway arrangements between the relevant Railway Organisations to facilitate cross-border movement.

### **AGENDA ITEM 14: DATE AND VENUE OF THE NEXT MEETING**

84. Thailand informed the Meeting that the Twenty-Second Senior Transport Officials Meeting/the Twelfth ASEAN Transport Ministers Meeting and its associated meetings would be convened in first half of November 2006 in Bangkok. The exact date and venue of the meeting will be conveyed to the Member Countries through the ASEAN Secretariat in due course.

### **AGENDA ITEM 15: CONSIDERATION AND ADOPTION OF THE REPORT**

85. The Meeting considered and adopted the Report of the Twenty-First ASEAN Senior Transport Officials Meeting (STOM) held on 17-18 May 2006 in Chiang Mai, Thailand.


### **ACKNOWLEDGEMENT**

The Meeting expressed their sincere appreciation to the Royal Thai Government and the people of the Kingdom of Thailand for the warm hospitality accorded to the delegations and the excellent arrangements made for the Meeting.

The Meeting also expressed their heartfelt appreciation to Mr K. Patmanathan of Malaysia and Mr. Somporn Paisin of Thailand for their invaluable contribution to the work of STOM and wished them well in their future endeavours.

The Meeting also thanked the ASEAN Secretariat for their technical assistance rendered.

The Meeting was held in the traditional spirit of ASEAN cordiality and solidarity.

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