



*******PANAMA CANAL UPDATE*******
January 25, 2007

Re: Transit Booking Information on the Internet

A new section on the Panama Canal internet page is now available at <http://www.pancanal.com/eng/maritime/transit/index.html> with the following information on the current status of the Transit Booking System:

- Booking Slots Available
- Regular vessels (under 91 feet in beam)
- Supers (91 feet in beam and over)
- Booking Slots Available Report
- Customer Ranking Report

The Booking Slots Available display has been designed to provide information on reserved slots and slot availability within the next 12 months, while the new Booking Slots Available Report has been created to facilitate the review of the availability of booking dates. This information is updated every two hours and the Customer Ranking Report is updated and posted at the end of each month.

Re: Customer Code Issuance and Consolidation Procedures

ACP requires that a Customer Code be provided to every vessel's visit to transit the Panama Canal, with the exception of yachts or government vessels. The customer code provided by the vessel's agent for a vessel's visit must be the customer code that belongs to the company responsible for each transit within that visit, and providing a customer code belonging to an entity that does not represent, own, operate, or charter the transiting vessel is prohibited. Therefore, the customer code provided must belong to:

- The owner of the vessel transiting the Canal, or
- the operator of the vessel transiting the Canal, or
- the company that charters a vessel transiting the Canal.

ACP utilizes the customer code weighted ranking as the first tie-breaker criteria when two or more vessels are competing for the same transit reservation slot. Therefore, it is extremely important that the customer code used or provided for each vessel's visit be correct. However, after completion of a vessel's visit, agents and customers are granted a 30-day grace period in order to request corrections to the customer code provided in the vessel's visit, so that the correct customer code is credited when publishing the customer code ranking. The customer code ranking is available at: <http://www.pancanal.com/evtms-rpts/agents/VI5350RP.pdf>.

Re: Transit Booking Slot Auction Process

An additional booking slot made available through an auction process was implemented in 2006 after a 60-day test period. The additional auctioned booking slot is available during the 3rd period only in any booking condition that may be present at the time. This auctioned slot will only be available once all the normal booking slots available for either *supers* or for *regulars*, independent of each other, have been allocated. In addition to the above-mentioned requirements, the auctioned booking slot will be subject to the following terms and conditions:

- Auctioned booking slots will be available to customers by Customer Code or to vessels by SIN number, only on dates when all booking slots for either *supers* (91' in beam and above) or *regulars* (under 91' in beam) have been allocated.
- The auction process will begin not earlier than 1400 hours on the opening day

of the 3rd period for the slot to be auctioned, or not later than 1100 hours on the closing day of the 3rd period (two days before transit date of auctioned slot), and will end not earlier than 1300 hours on the closing day of the 3rd period (two days before transit date of auctioned slot).

- The initial or base price for the auctioned slot during booking conditions 1 and 2 will be fixed to twenty five thousand dollars (25,000.00) for supers and ten thousand dollars (\$10,000.00) for regulars. When booking Condition 3 is in effect, the initial or base bid will be fixed to fifty thousand (\$50,000.00) for supers and twenty thousand (\$20,000.00) for regulars. Should the winning bid amount be less than the winning vessel's normal booking fee, the ACP will honor the winning auctioned bid amount.
- If the auction is initiated due to all booking slots for *regulars* having been allocated while slots are still available for *supers*, the initial or base price will be ten thousand dollars (\$10,000.00) during Condition 1 and 2 or twenty thousand dollars (\$20,000.00) during Condition 3. However, once the booking slots for supers are allocated, if there is still a super interested in bidding, the initial or base price will be twenty five thousand dollars (\$25,000.00) during Condition 1 and 2 or fifty thousand dollars (\$50,000.00) during Condition 3.
- The auctioned slot will be awarded to the vessel or customer who submits the highest bid during the auction period. Vessels awarded the auctioned slot have the same options as other booking slots, such as requesting *same-day-transit due to late arrival*, *swaps*, and *substitutions*, except *change-in-transit-date*. However, the *same-day-transit* option will incur a charge equal to 200% of the amount offered during the auction. For *swaps* or *substitutions*, the charges to be applied will be the higher of the two booking fees applicable to the vessels involved.
- If a cancellation of an already awarded auctioned slot occurs before the closing of the 3rd period, the slot will be awarded to the next highest bidder. The charge for cancellation of the auctioned slot will be 90% of the winning bid and shall be requested before the vessel's required arrival time or before the vessel is underway for transit, whichever occurs first.
- Forfeiture of auctioned slots will incur a charge equal to 100% of the amount of the bid.
- Slots cancelled during the 3rd period will be offered, subject to the same transit restrictions, first to those vessels that failed to secure a slot during tie-breaker competition, followed by subsequent rejections, in order of rejection, and last, to any interested vessel on a *first come-first served* basis. If the cancellation occurs during or after the auction process, and the vessel which is to be awarded the cancelled slot is the same as the vessel which made the highest bid, the cancelled slot will be awarded to that vessel at the normal booking rate, and the auctioned slot will then be awarded to the next highest bidder.
- Vessels awarded an auctioned booking slot which have already secured a normal booking slot during the 3rd period competition for the date following the auctioned booking slot date, will be given the option to retain either one of these booking slots. Should the vessel elect to retain its normal booking slot, then the auctioned booking slot will be awarded to the next highest bidder. If, on the other hand, the vessel elects to retain the auctioned booking slot, then its normal booking slot will be voided at no additional charge. Nevertheless, the vessel will be required to pay whichever amount is higher, the normal booking fee or the auctioned bid amount.
- A fully integrated tug and barge unit (ITB) participating in the auction process will have its bid assigned to the piece of the unit with the highest PC/UMS tonnage. If an ITB is awarded the auctioned booking slot, then the larger of the two pieces will pay the winning bid, while the smaller piece will be required to pay its normal applicable booking fee.

Information provided by users during the auction process will remain strictly confidential. Once the bid is closed, the ACP will publish any information deemed necessary to ensure transparency of this process.

RE: Substitution / Swapping of slots already secured.

Substitutions. A vessel already booked may only be substituted by another non-booked vessel, subject to the following conditions:

- (a) Both vessels are registered with the same operator (same Customer Code);
 - (b) Both vessels are transiting in the same direction;
 - (c) The new vessel is subject to the same or lesser restrictions as the original one
 - (d) The written request for substitution shall be received by the ACP Marine Traffic Control 24 hours or more prior to the required arrival time of the booked vessel. If the substitution is requested at least 60 days in advance of the booked vessel's required arrival date, there will be no cancellation charge. If the substitution is requested less than 60 days in advance of the booked vessel's required arrival date, a cancellation fee will be assessed.
- The booking fee applied to the substituting vessel will be the higher of the two booking fees applicable to the vessels involved in the substitution, in accordance with the current booking rates.

Swapping. Swapping of reserved transit slots between two booked vessels is allowed, subject to the following conditions:

- (a) Both vessels must be booked for transit within 21 days of each other;
- (b) Both vessels must be transiting in the same direction;**
- (c) Both vessels must be similar in size and be subject to the same transit restrictions and arrival requirements;
- (d) Vessel operators (Customer Codes) must be the same for both vessels;
- (e) A request for swapping must be received by Marine Traffic Control no later than 24 hours prior to the earliest required arrival time of the vessels. Such request may be made by telephone or in writing; and
- (f) Vessels are permitted to swap their reserved transit slots only once per booking. Such swaps will not incur a cancellation charge.

The booking fee applied to both vessels will be the higher of the two booking fees applicable to the vessels involved in the swapping, in accordance with the current booking rates.

RE: Panama Canal Statistical Summary December 2006:

a. Transit Pilot Force	271
b. Pilots in Training	6
c. Tugs	24
d. Locomotives	100

Traffic Statistics:

Average	Daily High	Daily Low	Daily
Arrivals	37.10	48	25
Oceangoing Transits	37.16	43	25
Canal Waters Time (hours)	26.05	32.88	18.83
In-Transit Time (hours)	10.71	14.09	8.97
Distribution of Oceangoing Transits: Total Average Daily Percentage			
Vessels of less than 80' Beam	355	11.45	30.82
Vessels 80' Beam and Over	797	25.71	69.18
Total of Oceangoing Transits:	1152	37.16	
Vessels 100' Beam and Over	557	17.97	48.35
Vessels 900' Length and Over	159	5.13	13.80

Note: For the purpose of this report, the term "oceangoing transits" is equivalent to the number of locomotive transits.

Booking Slots:	Available	Used	Percentage
Large Vessels (beam 91' and over)	455*	450*	98.90
Regular vessels (beam < 91')	244*	233*	95.49

*Does not include additional auctioned booking slots

RE: Lock Maintenance

DATE	Outage Days	Miraflores	Pedro Miguel	Gatun	Transit Cap.
	Status				
Apr. 18-20	2.0		Lane outage	Lane outage	26-28 Tentative
Jun 13-22	3	w/restriction	Lane outage		26-28
	Tentative				
Jul 11-22	2	w/restriction	Lane outage		26-28
	Tentative				
Aug 8-10	2			Lane outage	26-28 Tentative
Aug 14-23	2	w/restriction	Lane outage		26-28
	Tentative				
Sep 5-15	6		Lane outage	w/restriction	26-28 Tentative
Sep 26-28	2			Lane outage	26-28 Tentative

ANY INFORMATION NEED IT DON'T HESITATE TO CONTACT US.

Thanks
Juan Sandoval
Operations Executive
China Shipping Agency Central America
Tel: 507 265 1190 / 430 2116
Fax: 507 265 7266 / 430 2117
Mobile: 507 6615 0239
Email: juan@csaca.com
<http://www.csaca.com>