

June 7, 2006

MR'S ADVISORY TO SHIPPING No. A-16-2006

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – MAY 2006

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	273
b. Pilots in Training	6
c. Tugs	24
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	35.39	50	28
Oceangoing Transits	36.19	43	32
Canal Waters Time (hours)	34.15	43.76	22.39
In-Transit Time (hours)	12.45	17.03	10.21

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80' Beam	343	11.06	30.57
Vessels 80' Beam and Over	<u>779</u>	<u>25.13</u>	69.43
Total of Oceangoing Transits:	1122	36.19	
Vessels 100' Beam and Over	539	17.39	48.04
Vessels 900' Length and Over	145	4.68	12.92

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

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Large Vessels (beam 91' and over)	465*	460*	98.92
Regular vessels (beam < 91')	279*	255*	91.40

*Does not include additional auctioned booking slots

3. See next page for scheduled locks maintenance work and items of interest to the shipping community.

4. This advisory will be canceled for record purposes on June 30, 2006.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director

Scheduled Locks Maintenance Work:

SCHEDULED LOCKS MAINTENANCE WORK – FISCAL YEAR 2006					
Dates	Miraflores	Pedro Miguel	Gatun	Transit Capacity	Status
Jun 5-8/06			Lane Outage (2 ½ d)	26-28 (2 ½ d)	Confirmed
Jun 8-17/06	Lane w-restrictions (10d)			36 (10d)	Confirmed
Jul 11-20/06			Lane w-restrictions (10d)	36 (10d)	Tentative
Jul 17-22/06	Culvert Outage (6d)			33 (6 d)	Tentative
Aug 12-14/06			Lane w-restrictions (3d)	36 (3d)	Tentative
Aug 15-19/06			Lane Outage (5d)	26-28 (5d)	Tentative
Aug 20-24/06			Lane w-restrictions (5d)	36 (5d)	Tentative
Sep 12-21/06			Lane w-restrictions (10d)	36 (10d)	Tentative

Transit Capacity: The normal capacity of the Panama Canal is 38 transits per day. This capacity is reduced during locks outages, as indicated in the above table. Consequently, vessels may experience delays in transiting. Normally, during these periods, the Panama Canal Transit Reservation System slots are fully utilized. Whenever a set of locks requires a major outage of one of its two lanes for dry chamber inspection, miter gate repairs, tow track work or other major maintenance/improvement projects, advantage may be taken of this requirement to perform simultaneous single lane outages for additional maintenance at other locks. Two-day lane outages have no significant impact on Canal vessel backlog, therefore are not normally included in this chart.

NOTE: Previously published tentative dates for a 3-day lane outage for Gatun Locks were advanced from their initial dates in order to perform this maintenance work as published in MR's Advisory to Shipping No. 14-2006. In addition, Miraflores 10-day lane with restrictions has been confirmed for June 8-17, 2006. This work needed to be accomplished as soon as possible; therefore, the dates were advanced taking advantage of the lower arrivals this week.

Panama Canal International Advisory Board 12th Meeting Press Release

May 2006 marked the Panama Canal Advisory Board's twelfth meeting. Traveling to Panama from all corners of the world, Board members met to review and deliberate on the study prepared by the ACP on the proposed Canal expansion.

After reviewing the facts pertinent to this historic undertaking, the Board believes that the study reflects a comprehensive and realistic appraisal of all issues involved. They commend the Canal leadership, the country's leadership, and the Panamanian people for the extraordinary work and professionalism that bring us to this momentous, sovereign decision by Panama and consider it a privilege to share their thoughts.

The Advisory Board unanimously agreed that the third set of locks Canal expansion plan should be viewed as a matter of high priority for Panama, since the Canal has nearly reached full operating capacity. With world trade growing at a substantial pace and the forecasted demand for increased growth, Panama will benefit from the proposed Canal expansion. Canal users within a reasonable timeframe, at no residual debt to Panama, will repay the costs associated with this expansion.

The Advisory Board applauds ACP's exemplary performance since its assumption of operations at the close of 1999, and expresses full confidence in ACP's ability to efficiently manage and execute all the Canal expansion tasks. Canal expansion is the sovereign decision of the people of Panama, and we are confident that Panamanians will consider fully the compelling short and long-term benefits the Advisory Board believes will accrue to Panama and its people.

Key factors among these are:

- A boost to Panama's national economy;
- Over the last six years the Canal has contributed over \$2.2 billion to the Government of Panama, more than the total paid during the previous 85 years of operation;
- Increased employment opportunities;
- Revenue from increased Canal traffic;
- Consolidation of Panama as a global commercial and maritime center to assure its rightful place in world economy.

During the past six years this project has been thoroughly analyzed by independent industry experts in an effort to ensure that Canal capacity continues its pace with the world's growth in trade. We applaud Panama for bringing the Canal to this point, and look forward to this exciting and well needed expansion.