

ADVISORY TO SHIPPING No. A-58-2016

October 31, 2016

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Recognition to Vessels with High Environmental Efficiency Rating

The Panama Canal Authority (ACP) in its ongoing commitment to protect the environment has implemented the **Green Connection Environmental Recognition Program** to help the shipping industry mitigate the environmental impact of their operations. This initiative recognizes customers who demonstrate excellent environmental stewardship, and encourages others to also implement technologies and standards to help reduce greenhouse gas emissions.

The Green Connection Environmental Recognition Program promotes the reduction of greenhouse gas emissions by distinguishing vessels that comply with the highest environmental performance standards. The program consists of: The **Green Connection Award** and the **Environmental Premium Ranking**.

The **Green Connection Award** recognizes transiting vessels with a good environmental performance that comply with the following:

Indicator	Level	Documentation
Environmental Ship Index (ESI)	At least 35 points	IMO number – ESI

The **Environmental Premium Ranking** awards customers with percentage points in the “number of transits” portion of the Customer Ranking system to vessels that meet or exceed the specified environmental requirement. These additional points will allow customers to potentially improve or strengthen their position in the Customer Ranking system when applying for booking slots.

Vessels that fall within Level 1 will receive a 10 percent bonus for each transit when tallying a particular customer’s number of transits for purposes of determining its ranking. Similarly, vessels that fall within Level 2 will receive a 20 percent bonus for each transit. In order for customers to receive this benefit, their vessels must meet at least one of the following requirements:

	Indicator	Level 1	Level 2	Documentation
1	EEDI threshold	at least 20% below the reference line	at least 30% below the reference line	International Energy Efficiency Certificate
2	ESI threshold	at least 35 points	at least 80 points	ESI database
3	Low NOx threshold	at least 10% below Tier II limit	at least 20% below Tier II limit	Engine International Air Pollution Prevention (EIAPP) Certificate
4	LNG fueled engine	N/A	LNG fueled engine	LNG engine description

The application of the bonus percentage will become effective for transits beginning January 1, 2017. Partaking in the recognition program is optional. All interested vessels must request participation and deliver documentation which supports the environmental efficiency rating to the following email: greenconnection@pancanal.com, at least 96 hours prior to the vessel's arrival at Canal waters.

The ACP may request additional information in order to verify compliance with the requirements established for each level. Participating vessels shall have available a copy of the required documentation in case it is requested during the inspection process.

The Green Connection Environmental Recognition Program will be revised on a yearly basis and its requirements may be modified as deemed appropriate.

For additional questions regarding this initiative please contact the following e-mail: greenconnection@pancanal.com.

ORIGINAL SIGNED

Esteban G. Sáenz
Executive Vice President for Operations