

AUTORIDAD DEL CANAL DE PANAMÁ
VICE PRESIDENCY FOR TRANSIT BUSINESS**ADVISORY TO SHIPPING No. A-03-2020**

January 28, 2020

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Implementation of Modifications Related to the Panama Canal Water Conservation Strategy

Pursuant to the modifications announced by the Panama Canal Authority (ACP) in Advisory to Shipping A-2-2020, the following additional information is provided:

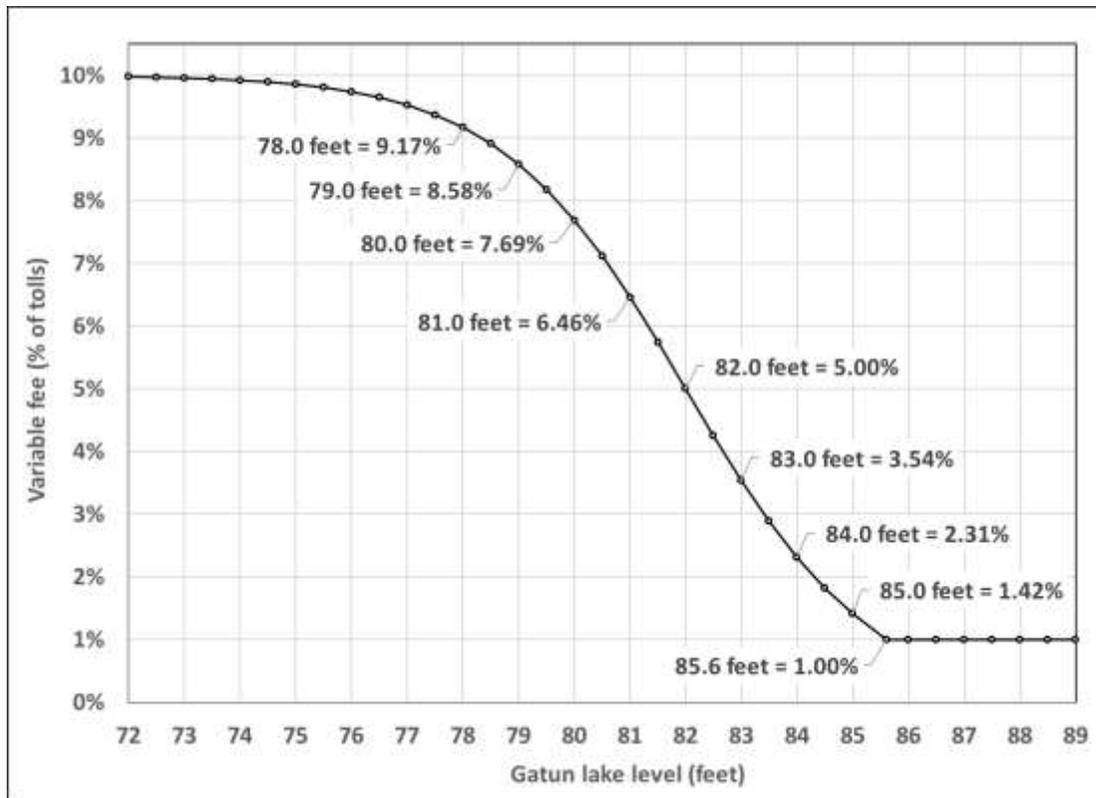
1. **Fresh Water Surcharge.** Effective February 15, 2020, a fresh water surcharge will be applied to all transiting vessels over **125 feet (38.1 meters)** length overall (LOA). This charge will consist of both a fixed component and a variable component, as follows:
 - a) A fixed component applied based on overall vessel length (LOA):
 - \$2,500 per transit to vessels with LOA over 125 feet (38.1 meters) and up to 200 feet (60.96 meters);
 - \$5,000 per transit to vessels with LOA over 200 feet (60.96 meters) and up to 300 feet (91.44 meters);
 - \$10,000 per transit to vessels with LOA over 300 feet (91.44 meters).
 - b) A variable component ranging from a minimum of 1 percent of the vessel's tolls, when Gatun Lake level is above **85.5 feet**, to a maximum of 10 percent of the vessel's tolls, when Gatun Lake level falls below **72.0 feet**. The percentage used to calculate the variable component applicable to each vessel will be based on the level of Gatun Lake on the day prior to the transit, and will be calculated daily using the following formula:

$$f(x) = \begin{cases} \frac{0.10}{1 + e^{0.6(x-82)}}, & x \leq 85.5 \\ 0.01, & x > 85.5 \end{cases}$$

Where x is the level of Gatun Lake in feet, rounded to one decimal place, as registered at 1200 hours on the day prior to the vessel's transit. This percentage will be applied to all vessels transiting on the following day.

The level of Gatun Lake will be published daily, together with the projected level for the next 60 days.

For your guidance, the following graph illustrates the value of the fresh water percentage applicable to each level of Gatun Lake:



2. Payment of Transit Reservation (Booking) Fees.

Beginning February 15, 2020, the booking fee for all slots allocated during Booking Periods 1, 1.a and 2, including the special period for passenger vessels, shall be paid in full no later than 48 hours after confirmation by the ACP that the slot has been awarded. If the guarantee is not received within the required time, the booking slot will be voided.

For slots awarded during Booking Period 3, the booking fees will be charged once the vessel begins its transit, in the same manner as tolls and other transit-related fees.

Similarly, booking fees for slots that were allocated prior to February 15, 2020, will be paid once the vessel transits, in the same manner as tolls and other transit-related fees.

3. Modifications to the Auctioned Booking Slot.

Two additional slots will be offered through the auction process, one to *supers* and one to *regular* vessels, during the 3rd period only, in any booking condition in effect at the time. These slots will only be available once all the normal booking slots available for that date, for either *supers* or *regulars*, independent of each other, have been allocated.

In addition, any slot that becomes available during the 3rd booking period due to cancellations, change in date, early transits of pre-booked vessels, or any other reason, will be offered through an auction process, provided that all slots for that particular vessel category (*Neopanamax*, *supers* or *regulars*) have been awarded. If there are no vessels interested in the slot, it will become available to any interested vessel on a *first-come, first-served* basis after the auction is closed.

Since these auctioned slots may require that interested vessels meet particular conditions, such as transit direction and vessel restrictions, these conditions will be announced when the auction is published.

4. Transit Condition Change.

Beginning Saturday, February 15, 2020, and until further notice, **Condition 1.a** will be in effect for the Panamax locks. Applications for reserved transits under this booking condition will be received beginning at 0900 hours, Wednesday, February 12, 2020.

5. Just in Time Transit (JIT).

The Just-In-Time transit slots available for supers will be reduced to one for each direction until further notice, and the JIT slot for regular vessels transiting without restrictions will remain at one for each direction. The additional slots for regular vessels less than 300 feet LOA will no longer be offered.

6. Transit Itinerary Creation Fee.

A handling service fee will be applied to every transit itinerary at the time the itinerary is created for vessels with 38.1 meters (125 feet) LOA or more, as follows:

- For vessels less than 27.74 meters (91 feet) in beam (*regulars*): \$1,500 per transit itinerary.
- For vessels between 27.74 meters (91 feet) and 32.62 meters (107 feet) in beam (*supers*, including *Panamax plus*): \$5,000 per transit itinerary.
- For vessels with beams of more than 32.62 meters (107 feet) (*Neopanamax*): \$5,000 per transit itinerary.

The above-mentioned fee shall be paid no later than 48 hours after confirmation by the ACP that the transit itinerary has been accepted. Vessels that do not comply with the 96-hour pre-arrival notification requirement (short ETAs) will have 24 hours for the placement of the guarantee. Failure to provide the proper guarantee or payment of the processing fee prior to the times established by the ACP will result in the cancellation of the transit itinerary.

The above-mentioned fee will be deducted from the vessel's tolls invoice once the vessel transits. If the vessel cancels the transit itinerary, this fee will not be refunded.

Transit itineraries that are cancelled for purposes of booking substitutions will not be assessed the Transit Itinerary Creation Fee. In these cases, the fee may be

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transferred to the substituting vessel, in compliance with the Transit Reservation System Rules, provided that both vessels fall within the same category (Neopanamax, super, regular).

Vessels less than 125 feet (38.1 meters) LOA are not required to pay this fee when creating their transit itinerary. Similarly, vessels arriving to Canal waters for a Local Call only (no transit) will not be assessed the transit itinerary creation fee. However, if the visit changes status from Local Call to Transit, then the fee will be assessed.

Since swapping booking slots does not involve cancellation of itineraries, additional itinerary fees will not be applied.

Itineraries created prior to February 15, 2020, will be grandfathered and not required to pay the Transit Itinerary Creation Fee.

Further requests for clarification may be directed to customerrelations@pancanal.com

ORIGINAL SIGNED

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