AUTORIDAD DEL CANAL DE PANAMÁ

Balboa-Ancón República de Panamá www.pancanal.com

October 14, 2002

MR'S ADVISORY TO SHIPPING No. A-36-2002

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – SEPTEMBER 2002

1. Statistical Summary:

a.	Transit Pilot Force	282
b.	Pilots in Training	0
	Tugs	
	Locomotives	

e. Traffic Statistics (Preliminary):

` · · · · ·	Average Daily	High Daily	Low Daily
Arrivals	29.7	46.0	18.0
Oceangoing Transits (Includes Handlines)	29.7	37.0	22.0
Canal Waters Time (Hrs.)	26.4	48.3	15.8
In-Transit Time (Hrs.)	10.7	16.6	7.5
	<u>Total</u>	Supers	Regulars
Bookings	410	252	158

2. Scheduled Locks Outages:

Dates	No. of Lane Outage Days	No. of Culvert Outage Days	Miraflores	Pedro Miguel	Gatun	Transit Capacity	Status
Oct $24 - 25$, 2002	2				Lane Outage	26 - 28	Confirmed
Nov 18 – 28, 2002	11		Lane Outage	Lane Outage		30 - 32	Confirmed

Note: 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.

Transit Capacity: The normal capacity of the Panama Canal is 38 vessel 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 Vessel Transit Reservation System slots are fully utilized.

- 3. See reverse for items of interest to the shipping community.
- 4. This advisory will be canceled for record purposes on October 31, 2002.

ORIGINAL SIGNED

Jorge L. Quijano Maritime Operations Director

ITEMS OF INTEREST FOR THE SHIPPING COMMUNITY

Canal Performance

In September 2002, oceangoing transits totaled 891, or a daily average of 29.7. Transits by wide-beam vessels (30.48 meters/100 feet in beam and over) totaled 364, or 40.4 percent of all oceangoing transits. The average Canal Waters Time (CWT) was 26.4 hours.

PANAMA CANAL SETS NEW SAFETY RECORD ACP ANNOUNCES A 40 PERCENT REDUCTION IN MARITIME ACCIDENTS

The Panama Canal Authority (ACP) announced on October 2, 2002, that a new safety record had been set regarding maritime accidents. The total number of maritime accidents that occurred in the Panama Canal during the past two fiscal years 2001 and 2002 represents a 40 percent reduction from the two previous years of 1999 and 2000.

In fiscal years 2001 and 2002, 34 maritime accidents, 17 each year, transpired out of a total of 26,678 transits, as compared with 57 maritime accidents in fiscal years 1999 and 2000, and 56 maritime accidents in fiscal years 1997 and 1998. Fiscal year 2002 ended September 30, 2002.

"Today's announcement demonstrates to the world that the ACP means business. Reducing accidents and improving safety are absolutely paramount to our customers and to us. We are clearly seeing dividends from our total focus on continued capital improvements, development of a top-notch workforce and management team, and investment in new equipment and technology," said ACP Administrator Alberto Alemán Zubieta.

Since Panama assumed control of the Canal, the ACP has steadily reduced the number of maritime accidents: from 29 accidents in fiscal year 2000 to only 17 for both 2001 and 2002. According to the ACP's Maritime Operations Director, Jorge Quijano: "The last time we had two consecutive years with such low numbers was in 1922 and 1923 with 10 accidents in each year. However, there were only 2,736 transits in 1922 and 3,967 transits in 1923, which is less than 30 percent of the 13,000 plus transits in 2002."

PANAMA CANAL AUTHORITY MAINTAINS ISO 9001 CERTIFICATION FOR SECOND CONSECUTIVE YEAR--Quality Audit Registrar Recognizes Canal Authority's Steadfast Commitment to Customer Service.

Det Norske Veritas, the Oslo-based registrar, confirmed that the Maritime Operations Department and the Training and Development Division of the Panama Canal Authority (ACP) maintained their certification to the ISO 9001:1994 standard after successfully passing the periodic audit. Alberto Alemán Zubieta, Canal Administrator, said, "On the 88th Anniversary of the Canal, we reiterate our steadfast commitment to customer service through constant application of quality and improvement processes." Alemán added, "This achievement further articulates our mission to serve as the cornerstone of the world transportation system. It is also an award for our workforce – for their hard work, dedication and excellent service."

Det Norske Veritas audited the quality system of the Maritime Operations Department and the Training and Development Division of the Human Resources Department from August 19-23, 2002. The firm found a more robust and mature system with significant improvements. The audit recently carried out is part of a three-year program that includes periodic audits every six months to insure that the authority remains in compliance with the requirements of ISO 9001:1994.

Det Norske Veritas first audited the ACP in March, 2001, and on May 15, 2001, the firm granted the international certification. This is the result of the commitment and dedication of more than 5,000 Canal employees. The implementation of this system further reinforced the emphasis towards quality to guarantee Canal customers a safe, expeditious and reliable transit service.

Meetings are held periodically by the leaders of these departments to evaluate the system and to propose improvements. The ACP quality management system fosters teamwork, the fast adaptation of new employees through documentation and training, the evaluation and improvement of processes, and the prompt evaluation and formal processing of customer complaints.