

June 8, 2004

MR'S ADVISORY TO SHIPPING No. A-28-2004

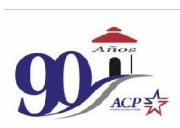
TO : All Steamship Agents, Owners, and Operators

SUBJECT: Panama Canal Operations and Traffic Update

1. As published in MR's Advisory to Shipping A-23-2004, the Panama Canal closed the west lane of Gatun Locks last week for scheduled maintenance and replacement of 1,568 feet of tow track, to include replacement of tow track at the inclines at the upper level on both center and side walls. This outage was originally scheduled to last 11 days, from May 31 to June 10, 2004.
2. Five additional scheduled outages are to take place through October (one per month). These outages have been announced with at least six months advance notice.
3. Due to unexpected higher-than-normal arrivals for this time of the year, this first outage has resulted in a backlog of ships awaiting to transit the Canal that has generated an increase in Canal Waters Time for non-booked vessels and has required the establishment of Condition 3 for the Booking System. However, this condition has not generated a delay for booked-vessels.
4. The ACP implemented several operational measures in an effort to reduce the impact to our customers due to this outage. In addition, track replacement work has been accelerated, allowing the west lane to be returned to normal service starting tomorrow morning, June 9, approximately 42 hours in advance of schedule. Once the lane is returned to service, additional crews and resources will be fully deployed to reduce the current backlog as soon as possible.
5. The track replacement project is part of the Panama Canal's modernization program started in 1997 and is now at 80% complete. The ACP sincerely appreciates the patience and understanding of its customers and users.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director



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