

January 11, 2005

MR'S ADVISORY TO SHIPPING No. A-01-2005

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – DECEMBER 2004

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	278
b. Pilots in Training	0
c. Tugs	24
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	33.87	50	20
Oceangoing Transits	33.97	40	22
Canal Waters Time (hours)	20.93	26.06	14.66
In-Transit Time (hours)	9.60	12.43	8.02

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80' Beam	393	12.68	37.32
Vessels 80' Beam and Over	660	21.29	62.68
Total of Oceangoing Transits:	1053	33.97	

Vessels 100' Beam and Over	469	15.13	44.54
Vessels 900' Length and Over	104	3.35	9.88

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)	400	382	95.50
Regular vessels (beam < 91')	251	189	75.30

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 January 31, 2005.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director



Scheduled Locks Maintenance Work:

SCHEDULE OF LOCKS OUTAGES – CALENDAR YEAR 2005						
Dates	Outage Days	Miraflores	Pedro Miguel	Gatun	Transit Capacity	Status
July 2005	4	Lane Outage (4 days)		Lane Outage (4 days) Lane with restrictions (8 days)	26 – 28 (4d) 36 (8d)	Tentative
August 2005	5	Lane Outage (5 days)		Lane Outage (5 days) Lane with restrictions (7 days)	26 – 28 (5d) 36 (7d)	Tentative
September 2005	8			Lane Outage (8 days) Lane with restrictions (4 days)	26 – 28 (8d) 36 (4d)	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.

PANAMA CANAL AUTHORITY CELEBRATES FIVE-YEAR ANNIVERSARY OF SUCCESSFUL PANAMANIAN ADMINISTRATION WHILE CONTINUING TO IMPROVE SAFETY, RELIABILITY AND EFFICIENCY

December 31, 2005 marks the fifth anniversary of the transfer of the Panama Canal to Panamanian administration. Today the waterway is running better and safer than ever in its 90 years of operation. Beginning a new century under Panamanian stewardship, the Panama Canal Authority (ACP) has set and broken records, made significant improvements, and invested in the equipment and infrastructure of the waterway. These accomplishments have helped the “All-Water Route” (the route from Asia to the East coast of the United States via the Panama Canal – and back) become a very attractive option for the industry to move cargo between these markets.

Since the handover of the Panama Canal, the ACP has shifted its operations from a non-profit utility to a market-oriented business model – one that is totally focused on customer service and reliability. The importance of the Panama Canal continues to grow because of increased trade with Asia, particularly in goods transported in containers.

“We are proud with the improvements we have made in efficiency and reliability of the waterway since assuming full management of its operations. Today, we thank our world-class employees who diligently work to improve our operations and customer service – making the Panama Canal better than ever,” said Administrator/CEO Alberto Alemán Zubieta.

The ACP has achieved its goal to make the Panama Canal safer, more reliable and more efficient – while simultaneously increasing its contributions to the Republic of Panama:

- **Safer:** The number of marine accidents decreased from 28 accidents in FY 1999 to 10 accidents in fiscal year 2004. In addition, the Canal set a safety record in 2004 with the fewest accidents occurring in the last 81 years.
- **More reliable:** Canal Waters Time (CWT), the average time it takes a vessel to navigate the Canal, including waiting time for passage, decreased by 20 percent from 32.9 hours in FY 1999 to 26.7 hours in FY 2004. This has been achieved while satisfying a greater demand in tonnage.
- **Managing greater demand:** Panama Canal/Universal Measurement System (PC/UMS) tonnage increased by 17 percent from 227.5 million PC/UMS tons in FY 1999 to 266.9 million PC/UMS tons in FY 2004, and Panamax vessel transits increased by 27 percent, from 4,198 transits in FY 1999 to 5,329 in FY 2004.