

AUTORIDAD DEL CANAL DE PANAMÁ EXECUTIVE VICE PRESIDENCY FOR OPERATIONS

ADVISORY TO SHIPPING No. A-35-2015

November 8, 2015

TO: All Shipping Agents, Owners, and Operators

SUBJECT: Vessel Backlog Information and Additional Reduction in the Number of

Available Booking Slots to Reduce Transit Waiting Time

As it has been communicated to the maritime community in previous Advisories, the Panama Canal continues to experience high vessel backlog. This is attributed to several reasons, such as:

- Increased arrivals of large and deep draft vessels: these larger vessels and those with deeper drafts, besides having more restrictions than small, light draft vessels, require more time to transit the locks, thus reducing the total number of vessels that may be scheduled for transit in a day. The average percentage of "supers" transiting per day has increased to more than 74% as of October 2015.
- Water conservation measures and low Gatun Lake levels due to El Niño phenomenon (refer to Advisories to Shipping A-19-2015 and A-21-2015): Gatun Lake, which supplies water for Canal operations, not only has had water levels below what is expected for the entire current year 2015, but has also registered some of the lowest levels, not seen since the beginning of Canal operations in 1914. Although the lake level is presently rising (which allowed us to avoid implementing any draft restriction, as notified in Advisory to Shipping A-27-2015), the current level is still more than three feet below the expected average for this time of the year. An effect of the low level of Gatun Lake is also an increased lockage process time.
- Fog at the Canal: although fog is not uncommon for this time of the year, it can negatively impact transit operations. During the past month of October 2015, the transit of 107 vessels were delayed due to episodes of fog.

The Panama Canal has implemented several measures to reduce the number of vessels awaiting transit, such as:

- Postponement of scheduled non-critical maintenance work at the Locks (refer to Advisory to Shipping A-30-2015).
- Change in Booking conditions (refer to Advisories to Shipping A-31-2015 and A-33-2015).
- Assignment of additional equipment and crews for tugs, locomotives, and locks.

OP, November 8, 2015

Subject: Vessel Backlog Information and Additional Reduction in the Number of Available Booking Slots to Reduce Transit Waiting Time

Despite all these measures, the in-transit time (currently averaging 12.23 hours), the number of vessels awaiting transit, and the waiting time for many of these vessels, have not been reduced to acceptable levels. Although there have been three vessels that had 11-days of waiting time, 96% of the arriving vessels have waited eight or less days for transit, and 36% of these have waited four or less days. The usual waiting time for "regular" non-booked vessels does not normally exceed three days, while for non-booked "supers" it may reach higher levels. As of today, there are two northbound non-booked supers that have waited for 7 days and three southbound non-booked supers for 6 days. Booked vessels transit on the day they reserved.

Based on what is mentioned above, a temporary suspension of the following booking slots will be implemented until an acceptable level of waiting times is reached:

- Slots for regulars available in the third period
- Slots for vessels less than 300 feet in length
- Just-in-Time (JIT) slots for regulars

In accordance with the rules governing the Transit Reservation System (OP's Notice to Shipping No. N-7-2015), and in addition to Condition 1.a already in effect, these measures will be implemented beginning on booking date November 12, 2015.

The Canal is continually monitoring the situation and analyzing all possible measures that would help bring the backlog to normal levels.

ORIGINAL SIGNED

Noris E. López Acting Executive Vice President for Operations