

**AGREEMENT No. 220
(of November 25, 2010)**

“Whereby the Regulation to Set Tolls, Rates, and Fees for the Transit of Vessels through the Canal, and the Rendering of Related Services and Complementary Activities is amended”

**THE BOARD OF DIRECTORS OF THE PANAMA CANAL AUTHORITY
WHEREAS:**

In accordance with Article 316 of the Political Constitution of the Republic and Article 4 of the Panama Canal Authority Organic Law, Law 19 of June 11, 1997, the Authority has the exclusive charge of the operation, administration, management, preservation, maintenance, improvement, and modernization of the Canal, as well as its activities and related services, pursuant to legal and constitutional regulations in force, so that the Canal may operate in a safe, uninterrupted, efficient, and profitable manner.

Article 18.5.k of the aforementioned law assigns the Board of Directors the authority to approve the regulation to set the tolls, rates, and fees charged by the Authority for the transit of vessels through the Canal, and the rendering of related services.

In the exercise of said authority, the Board of Directors approved the Regulation to Set Tolls, Rates, and Fees for the Transit of Vessels through the Canal, and the Rendering of Related Services and Complementary Activities in Agreement No. 4 of January 7, 1999. This Regulation was subsequently modified by Agreements No. 58 of August 16, 2002; 94 of March 30, 2005, and 141 of June 21, 2007.

Upon compliance with legal and regulatory requirements, the Board of Directors approved Agreement No. 210 of June 10, 2010, whereby the toll rates of the Panama Canal Authority are modified.

The implementation of Agreement No. 210 implies a modification to Article 6 of the Regulation to Set Tolls, Rates, and Fees for the Transit of Vessels through the Canal, and the Rendering of Related Services and Complementary Activities in order to adjust Article 6 to the new tariff regime for full container vessels.

The draft agreement setting forth the modifications to the aforementioned regulation has been submitted by the Administrator of the Authority for the consideration of the Board of Directors.

AGREES:

ARTICLE ONE: Article 6 of the Regulation to Set Tolls, Rates, and Fees for the Transit of Vessels through the Canal, and the Rendering of Related Services and Complementary Activities is hereby modified and reads as follows:

“Article 6. For vessels, in general, tolls shall be the product of the PC/UMS Net Tonnage (PANAMA CANAL/UNIVERSAL MEASUREMENT SYSTEM OF VESSELS), pursuant to the Regulations for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal, multiplied by the rate established by the Authority.

For full container vessels, tolls shall be the result of adding:

1. The product of multiplying the vessel’s total TEU allowance (capacity) according to the Regulations for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal, by the corresponding rate; and
2. The product of multiplying the number of loaded TEUs aboard the vessel during the Canal transit, by the rate applicable to TEU with cargo.

For the purpose of applying these rates, the Authority shall determine the TEUs with cargo aboard the vessel during the transit based on the information that to this effect the vessel representative shall submit, which might be verified by the Authority.

Notwithstanding the aforementioned, if the information submitted by the vessel is incorrect, inadequate, incomplete, insufficient, or untimely, the toll shall be the result of adding:

1. The product of multiplying the vessel’s total TEU allowance (capacity) according to the Regulations for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal, by the corresponding rate; and
2. The product of multiplying the vessel’s total TEU allowance (capacity) according to the Regulations for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal, by the applicable rate to the TEU with cargo.

What has been established in the previous paragraphs for full container vessels is subject to the following:

1. The vessel, through its representative, shall submit to the Authority, under solemnity of oath, the correct, accurate, adequate, complete, and timely information about the loaded containers that the vessel will have aboard at the time of initiating the transit through the vessels’ BAPLIE (“Bayplan/stowage plan occupied and empty locations”) at the time of transiting the Canal. This information shall be submitted before the arrival of the vessel at Canal waters. The Authority may authorize that the information be submitted before the arrival of the vessel at the last set of locks only in extraordinary circumstances.
2. The Authority has the exclusive right to determine if the information submitted by the vessel pursuant to the preceding numeral is accurate,

adequate, or complete, and the corresponding toll the vessel shall pay to transit.

3. The conversion of containers of any dimension shall be made in accordance with Article 10 of the Regulations for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal.

Tolls for those vessels not classified as full container vessels, but that have the capacity to carry containers above the upper deck, shall be the product of the PC/UMS Net Tonnage multiplied by the rate established by the Authority plus the NTT (number of TEU carried on or above the upper deck during a transit) multiplied by the rate per TEU established by the Authority.

Tolls for passenger vessels shall be the product of the maximum passenger capacity or PC/UMS Net Tonnage multiplied by the rate established by the Authority, according to the design criterion established by the Authority.

Tolls for warships, dredges, and floating dry docks shall be the product of the fully loaded displacement tons multiplied by the rate established by the Authority.

For smaller vessels of up to 583 PC/UMS Net Tonnage, when carrying passengers or cargo, up to 735 PC/UMS Net Tonnage when transiting in ballast, or up to 1,048 fully loaded displacement tons, the minimum toll based on its length overall shall be established by the Authority on the basis of a fixed rate.”

ARTICLE TWO: This modification shall become effective on January 1, 2011.

Given in the City of Panama, Republic of Panama, on the twenty-fifth day of the month of November of the year two thousand and ten.

TO BE PUBLISHED AND ENFORCED.

Rómulo Roux

Rossana Calvosa de Fábrega



Chairman of the Board of Directors

Secretary