OP NOTICE TO SHIPPING No. N-7-2024



Panama Canal Transit Reservation System

January 1, 2024

OP NOTICE TO SHIPPING No. N-7-2024

To: Shipping Agents, Owners and Operators

Subject: Panama Canal Transit Reservation System

1. Effective Date and Cancellation

This Notice cancels OP Notice to Shipping No. N-7-2023 and will be effective on the date of issue. A revised Notice will be issued in January of each year or when otherwise required.

2. Purpose and Scope

a. This Notice incorporates the Panama Canal Transit Reservation System in accordance with the Regulation on Navigation in Panama Canal Waters (*ACP Navigation Regulations*) and with additional provisions included in the related manual of procedures.

b. The rules presented in this Notice constitute, section by section, the regulations related to the matter in the ACP Navigation Regulations and are followed by policies, procedures, and practices of the Canal Authority. In the event of any conflict in the rules printed in this Notice and the provisions published in the *ACP Navigation Regulations,* the latter shall govern.

3. Booking through the Transit Reservation System Application

The Transit Reservation System (Booking) Application is an efficient electronic information exchange between the ACP information system and the customers' systems, which enables the collection, administration, and validation of data. The Booking Application allows local shipping agents to manage their booking transactions on-line, and allows other interested parties, such as charterers, owners or operators, to access booking transactions as a query only.

Booking requests, requests for Daylight Transits, Late Arrivals, Just-in-Time

transits, Substitutions, Swaps, Change in Booking Dates, and Cancellations are received through the Booking Application. Competition results and Slot Availability Reports are also available in this application. Registered agents have access to this application at any time, once the ACP provides each registered agent with a username and password to log onto the Booking Application.

The ACP Help Desk provides 24-hour service to address difficulties pertaining to the Booking Application.

The following are the points of contact for systems support:

- Support ..... Tel. 272-5554
- Help Desk ..... Tel. 272-7777

4. Transit Booking Information on the Internet

A section on the Panama Canal internet page is available at https://pancanal.com/en/maritime-services/vessel-eta-and-transit-booking/ with the following information on the current status of the Transit Booking System:

- Booking Slots Available – Web Page
- Customer Ranking

The Customer Ranking Report is updated and posted at the beginning of each month, while the Slots Availability is continuously updated, every time a slot is awarded.

The Booking Slots Available – Web Page site has been designed to provide information on reserved slots and slot availability for the next 90 days for regulars, supers, and *Neopanamax* vessels, and information between 366 and 730 days for commercial passenger vessels.

5. Access to the ACP Vessel Information System

In compliance with ACP and international security requirements, access to the Vessel Information system is regulated.

All requests to transit the Panama Canal or anchor in Canal waters carry implicit authorization for the ACP to disclose information regarding the vessel and its estimated time of arrival (ETA) to those entities duly registered with the ACP to provide services to said vessels.

The Vessel Information system is only available, with the limitations and restrictions established in the contract, and based on the nature of the activity performed, to the following:

- Shipping agencies registered with the ACP;
- Port terminals located within or adjacent to Panama Canal waters;
- Government entities with maritime or protection responsibilities;
- Banks recognized and approved by the ACP as guarantors for tolls and other marine services.

Access to vessel's arrival information, with the limitations and restrictions established by the ACP, will be available to:

- Established entities providing services to vessels in Panama Canal waters;
- Established entities domiciled in the Republic of Panama providing legal services within the realm of maritime transportation and commerce.

Authorization to access the EVTMS requires signing a contract with the ACP wherein the terms and conditions required of the subscriber are defined. This contract includes the established tariff, as well as confidentiality restrictions regarding the use of information obtained through this system. Non-compliance with the terms and conditions of this contract, including non-payment of the tariff in a timely manner, may result in the suspension of access to this service.

Information regarding the documentation required to obtain access to the vessel information system is stated in the attachment. Requests for access may be submitted electronically to customerservice@pancanal.com or delivered to:

Shipping Customer Service Management Office
Panama Canal Authority
Building 729, Balboa
Republic of Panama

6. Customer Code Issuance and Consolidation Procedures

ACP requires that a Customer Code be provided to every vessel's visit to transit the Panama Canal, except for yachts and government vessels. However, these vessels will not be allowed to substitute their reserved slot, or swap with other vessels if a customer code has not been assigned.

The Customer Code provided by the vessel's agent for a vessel's visit must be the Customer Code that belongs to the company responsible for each transit during that visit. Providing a Customer Code belonging to an entity that does not represent, own, operate, or charter the transiting vessel is prohibited. Therefore, the customer code provided must belong to:

- The owner of the vessel transiting the Canal, or

- The operator of the vessel transiting the Canal, or
- The company that charters a vessel transiting the Canal.

ACP provides several systems and reports, which are readily available to verify Customer Codes that were reported for each vessel's visit, such as: Daily Information Report, Arrivals Report, Vessel's Visit Itineraries Screen, and the Vessel Schedule Report. In addition, the Agent/Customer Summary report, available through EVTMS, provides a summary of all transiting vessels represented by local shipping agents that are logged in. This report contains information for the last 60 days.

An important factor in the competition toward obtaining reserved transit slots is the utilization of the Customer Code, which can affect customer ranking. Customer Code procedures require proof of ownership, contractual chartering or majority stock ownership of a shipping company and these prerequisites are available at: https://pancanal.com/wp-content/uploads/2022/03/customer-code-issuance-and-consolidation-procedures-revjan_2022.pdf

The Customer Code provided by the vessel´s agent must belong to the company responsible for each transit within that visit, be it the vessel's owner, charterer, or operator. In this regard, and in order to maintain the integrity of the booking system, vessels will not be allowed to change customer codes once the visit has been created, unless a written justification is submitted and approved by the Vice President for Operations.

Customer Codes that are not used in a five-year period may be deactivated by the ACP Customer Services Unit. Customers who wish to reinstate a code that has been deactivated, are required to send a written request in this regard to the Shipping Customer Service Management Office.

For your reference, the last revision of the Customer Code Issuance and Consolidation Procedure, which was promulgated for your strict compliance, may be accessed through the following link: https://pancanal.com/wp-content/uploads/2022/03/customer-code-issuance-and-consolidation-procedures-revjan_2022.pdf

ORIGINAL SIGNED

Boris Moreno Vásquez
Vice President for Operations

RULES AND PROVISIONS CONCERNING THE PANAMA CANAL TRANSIT RESERVATION SYSTEM

ACP REGULATION ON NAVIGATION IN PANAMA CANAL WATERS ARTICLE 20

Applicability and scope

Subject to the limitations imposed by Articles II and VI of the 1977 Treaty concerning the Permanent Neutrality and Operation of the Panama Canal, between the United States and the Republic of Panama, and subject to compliance with the provisions of this part, the Panama Canal Transit Reservation System allows vessels, including commercial passenger vessels, desiring to transit the Canal, to reserve transit slots in advance of arrival to Canal waters and be moved through the Canal on pre-assigned dates.

ARTICLE 9

Definitions

(a) Transit Reservation. Service offered by the Authority whereby it guarantees that transit will start on a specific date, requested by the vessel, which is subject to an additional fee.

(b) *Passenger Vessel.* A vessel that principally transports passengers and runs on fixed published schedules. The capacity of this type of vessel is normally over 12 passengers.

(c) *Regular Transit*. Transit of a vessel without a transit reservation, which is scheduled for the date and time determined by the Authority based on its order of arrival, the Canal's capacity and any limitations that the vessel might have.

(d) *Required Arrival Time.* Date and time established by ACP as the deadline by which a vessel booked for transit must arrive to retain its scheduled transit.

(e) *Just-in-Time (JIT) Transit* is a service which allows a booked vessel to arrive at a pre-established time confirmed by the Authority.

(f) *Authorized Vessel Agent* means a party authorized by the owner or operator to represent the vessel before the Authority to create visits, request services and commit before the Authority to pay the fees for the services it requests, or which are generated as a result of the visit of the vessels that it represents.

The Authority shall assign an agency code to recognize as an Authorized Shipping Agent the party who requests representation of a vessel before the Authority and who has complied with the requirements established by the Authority for such purpose.

FURTHER IMPLEMENTATION OF ARTICLE 9

1. *Vessel Classification.* For purposes of these rules, vessels are classified as *Neopanamax* when they are over 107 feet (32.61 meters) in beam or over 966 feet (294.44 meters) in length; *supers* when they are 91 feet (27.74 meters) in beam or over but no more than 107 feet (32.61 meters) in beam, and length overall not exceeding 966 feet (294.44 meters); and *regulars* when they are under 91 feet (27.74 meters) in beam. If a vessel is approved for transit through the Panamax locks with dimensions exceeding the maximum limits mentioned above, the vessel will be considered a *super* for purposes of determining the applicable booking and other fees.

2. *Required Arrival Times/Neopanamax and Panamax Plus*. The required arrival time for booked *Neopanamax* and *Panamax Plus* vessels is 2200 hours of the day prior to their booked date. For Neopanamax LNG carriers, the required arrival time is 0200 hours of their booked date. Neopanamax commercial passenger vessels are exempt from this requirement, provided that they arrive with enough time to maintain their schedule.

3. *Required Arrival Times/Supers and regular vessels with restrictions.* The required arrival time for booked *supers* and *regular* vessels transiting under restrictions is 0200 hours of the day of their booking. Commercial passenger vessels are exempt from this requirement, provided that they arrive with enough time to maintain their schedule. Submarines and "*high-value transit*" vessels may be instructed by the ACP to arrive past the required arrival for operational and/or security reasons.

4. *Required Arrival Times/Regular vessels without restrictions.* The required arrival time for booked *regular* vessels without transit restrictions, is 1400 hours of the day of transit. Commercial passenger vessels are exempt from this requirement, provided that they arrive with enough time to maintain their schedule. Submarines and other "*high-value transit"* vessels may be instructed by the ACP to arrive past the required arrival for operational and/or security reasons.

5. *Required Arrival Time/Just-In-Time Transits.* Vessels that have been awarded the JIT transit service shall arrive at a Canal terminal by the time confirmed by the Authority.

6. *Arrival Time.* For purposes of these rules, a vessel booked for transit will be deemed to have arrived at a Canal terminal when an ACP signal station establishes radio contact with the vessel and:

(a) The vessel is visually sighted by the signal station; or

(b) The vessel is identified on ACP radar by location, speed, and course at a distance of not more than 8 nautical miles (13.6 kilometers) from the sea buoy on the Pacific side or from the breakwater entrance on the Atlantic side.

In case a southbound vessel is departing from a port in Manzanillo Bay, the vessel establishes radio contact with the ACP Cristobal Signal Station and reports its position as it passes the East Breakwater entrance on a southbound course. The ACP Port Entry Coordinator confirms the vessel's position through visual sighting or by radar. A vessel in this situation must arrive at the Canal breakwater entrance with sufficient time for its scheduled pilot pick-up. If the vessel fails to do this, the reserved transit slot may be canceled.

ARTICLES 22 AND 23

Booking periods; allocation of reserved slots

(a) Only vessel agents may request reserved transits during the following booking periods:

Special Period: *Commercial Passenger Vessel*s - 730 to 366 days prior to the requested transit date.

Normal Periods:

(1) *First Period* - For the Panamax locks, from 90 to 15 days prior to the requested transit date. For the Neopanamax locks, from 90 to 31 days prior to the requested transit date.

(2) *Period 1.a* - For Neopanamax locks only, from 30 to 15 days prior to the requested transit date.

(3) *Second Period* - From 14 to 8 days prior to the requested transit date.

(4) *Third Period* - From 7 to 2 days prior to the requested transit date.

Note: The third period closes at 1500 hours during weekdays and 1430 hours during weekends and holidays.

(b) The number of reserved transit slots available throughout the booking periods may be adjusted by the ACP, commensurate with the safe and efficient operation of the Canal.

ARTICLE 22

1. *Transit Slot Allocations.* During normal operating conditions, the authorized reserved transit slots available per day will be allocated among booking periods and size of vessels as set forth in the following table:

VESSEL SIZE	Special Period (passenger vessels only)	Period 1	Period 1.a (neopanamax only)	Period 2	Period 3 (auctions only)	TOTAL
Neopanamax	1	2	2	2*	1	8
Supers	3	6	N/A	5	3	17
Regulars	2	-	N/A	2	1	5
Total	**6**	**8**	**2**	**9**	**5**	**30**

Note: unused slots from one period are carried over to the following period.
**includes the "conditioned" slot.*

2. *Passenger Vessel Allocations.* From 730 to 366 days prior to the requested transit date, one slot for neopanamax, three slots for supers and two slots for regulars from the 1st booking period will be available exclusively for commercial passenger vessels. These slots will be awarded through competition when the special period opens and on a first-come, first-served basis after the competition has closed. Upon the expiration of this special period, unused slots will be carried over to the 1st booking period. No distinction will be made between commercial passenger vessels and other vessels when assigning any remaining reserved transit slots in any of the remaining booking periods. The booking slot for neopanamax commercial passenger vessels requesting a *turn-around* transit will be limited to one (1) per day. The vessel's agent shall inform the ACP that they are requesting a *turn-around* transit when creating or updating their visit in the Maritime Service Portal, prior to submitting their booking request. Failure to provide this information may result in the cancellation of the vessel's booking, as well as the application of corresponding charges.

3. *Panamax Plus Vessels*. Panamax vessels with drafts greater than 12.04 m (39.5 feet) TFW (also known as panamax plus vessels) are currently not allowed to participate in the regular booking application process. Nevertheless, they may participate in the special auction for the additional slot in the neopanamax locks when determined by the ACP.

4. *First Period for Neopanamax vessels.* During the First Booking Period, only booking requests from Neopanamax full container vessels will be accepted. A maximum of two (2) slots may be allocated to vessels transiting in any direction.

5. *Booking Period **1.a** for Neopanamax Vessels.* During the Booking Period 1.a, two (2) slots will be offered daily. The direction of these slots will depend on the slots allocated in previous periods. The maximum number of slots that may be allocated to vessels transiting in the northbound direction will be limited to three (3), and the maximum number of slots that may be allocated to vessels transiting in the southbound direction will be limited to two (2). Only booking requests for full container, LNG, LPG, and vehicle carrier / RoRo vessels will be accepted. A maximum of two (2) of these slots may be allocated to LNG vessels. During the tiebreaker competition at the beginning of the period (between 0900 and 0930 hours), full container vessels shall have priority when allocating all slots offered during the tiebreaker competitions for this booking period. If there are still slots available, they may be assigned to vessels from other market segments, based on customer ranking.

Priority will also be given to full container vessels when assigning slots carried over from Period 1 and slots that are cancelled or become available due to other reasons.

Slots that are not awarded during the tiebreaker competitions will become available to any interested full container, LNG, LPG, and vehicle carriers/RoRo vessels on a *first come-first served* basis for the remainder of the period.

6. *Second Period for Neopanamax Vessels*. During the 2nd Booking Period, two (2) slots will be made available to vessels from all market segments, in addition to any unused slots that are carried over from the previous periods. Full container vessels shall have priority over vessels from other market segments when assigning such slots during the tiebreaker competitions.

After the 2nd period tiebreaker competition, any remaining slots will become available to interested vessels from any market segment, on a first-come, first-served basis. Unused booking slots from the 2nd booking period will be carried over to the 3rd booking period.

The “conditioned slot” offered during the 2nd booking period (regardless of direction), may only be assigned to vessels with a High Mast Lighting (HML) designator “C” that meet the following criteria:

(a) Full container vessels with a length overall (LOA) of less than 335.28 meters (1,100 feet), beam less than 43.28 meters (142 feet), and deep draft less than 13.72 meters (45 feet), Tropical Fresh Water (TFW); or

(b) Vessels with precaution designator of PD-1 or PD-2 (excluding full container vessels) with a beam of 36.58 meters (120 feet) or less, and with a length overall (LOA) of 259.08 meters (850 feet) or less; or

(c) Other vessel types with a length overall (LOA) of less than 304.8 meters (1,000 feet), beam of less than 41.15 meters (135 feet), and deep draft of

less than 13.72 meters (45 feet) Tropical Fresh Water (TFW).

Full containers shall have priority over vessels from other market segments when assigning the conditioned slot.

The following table summarizes the slot allocation and priorities per booking period for the Neopanamax locks:

	SPECIAL PERIOD (730 TO 366 DAYS)	**PERIOD 1** (90 TO 31 DAYS)	**PERIOD 1.A** (30 TO 15 DAYS)	**PERIOD 2** (14 TO 8 DAYS)	**PERIOD 3** (7 TO 2 DAYS)
Number of slots	**1**	**2**	**2**	**2**	**1**
Slot allocation priority	Passenger vessels only based on ranking.	Full container vessels only based on ranking.	Priority to full containers; remaining slots vessels from LNG, LPG and car carriers / RoRo market segments based on ranking. Any additional slots: full containers, followed by vessels from LNG, LPG and car carriers / RoRo market segments based on ranking.	Priority to full containers, then vessels from any market segment based on customer ranking. Conditioned slot (if available): priority to full containers; then by customer ranking. Any additional slots: full containers, followed by vessels from any market segment based on customer ranking.	All slots are allocated to the highest bidder through auctions.

7. *Slot Reallocation for Neopanamax Vessels*. Booking Slots that become available in any booking period (except Period 3) due to booked neopanamax vessels transiting prior to their reserved date, may be offered in the same manner as when the slot becomes available due to cancellations or changes in booking date, either through competition (regular or special), or *first-come, first-served* after the competition. Slots that become available during Period 3, may be offered through auctions only.

8. *Neopanamax LNG Vessels*. A maximum of two (2) slots may be allocated to LNG vessels per day through the normal booking process.

9. *Just-In-Time (JIT) Transit Slot Allocation.* A maximum of four (4) JIT booking slots may be offered per day to supers, and of these, no more than two (2) slots may be allocated to vessels transiting in the same direction. Similarly, a maximum of two (2) JIT booking slots may be offered per day to regulars transiting without restrictions, one per direction. For the Neopanamax locks, a maximum of one JIT slot may be offered per

direction. At the opening of a booking period, requests for JIT slots will be assigned to vessels that are awarded the booking slots during the tie-breaker competition for that period. After the tie-breaker competition, all the remaining JIT slots will become available to any interested booked vessel. If a booking cancellation of a vessel with a confirmed JIT transit service occurs prior to 1100 hours of the closing day of the third period, the JIT slot that becomes available may be awarded, in the order in which the requests for the JIT service are received. JIT slots that become available due to cancellations after 1100 hours will not be reassigned.

(a) Requests for JIT for all vessel categories shall be received between 10 days and 96 hours prior to booking date in order to be considered.

(b) Booking cancellation by vessels that have been awarded the JIT: the vessel will be assessed the JIT charge in addition to the booking cancellation fee.

(c) Change date for a booked vessel with JIT: the vessel will be assessed the JIT charge in addition to the change-in-date fee.

(d) Vessels with an approved JIT transit service also have the option to request the same day transit service due to late arrival.

(e) All JIT requests are subject to ACP evaluation prior to approval.

(f) The JIT transit service is subject to an additional fee, as per the published Official Maritime Tariff.

Note: The Authority may reduce the amount of JIT slots offered daily or suspend the service entirely, to ensure the safety and efficiency of the operation. Nevertheless, vessels that have already been confirmed a JIT transit slot will be honored.

10. *Allocation of slots to Regular Vessels up to 300 feet in length:* The procedure by which the additional slots for regular vessels up to 300 feet in length are allocated during the third period has been suspended until further notice.

11. *Allocation of Slots through the Auction Process*: Auctioned slots will only be offered during the 3rd Booking Period for all vessel categories. Booking slots that become available during booking period 3, or that are carried over from Booking Period 2 due to cancellations, changes in date, early transit of booked vessels, or other reasons, may be offered through an extraordinary auction process. The base or initial amount of each auction for all vessel categories is indicated in the Official Marine Tariff.

An additional slot for the Neopanamax locks may be offered through a “Special Neopanamax Auction” process. The dates and conditions under which this slot may be offered will depend on several variables, including vessel mix and other factors. Vessels awarded this slot may be subject to an *In-Transit-Time* (ITT) of 36 hours or less. This

auction will normally be announced with at least one day advance notice. Panamax Plus vessels may be allowed to participate in the special auction.

Vessels that have been awarded a slot through the auction process are not allowed to participate in subsequent auctions for the same booking date.

The ACP will notify vessel agents when there is a possibility of a slot to be auctioned.

Since these auctioned slots may require that interested vessels meet certain conditions such as transit direction and/or vessel restrictions, these conditions will be announced when the auction is published.

The auctioned slot will be subject to the following terms and conditions:

(a) A Customer Code and the amount of the bid will be the only information required to place a bid.

(b) A different username is required for each Customer Code that participates in the auction. The system will validate the username and the Customer Code used to place the initial bid and will create a key with this information. After the first bid is entered, the system will automatically propagate this Customer Code for every subsequent bid in the bidding screen window.

(c) The daily auctions will normally open not earlier than 1400 hours on the day prior to the opening day of the 3rd period. The closing time will be determined when the auction details are published.

(d) The auction closing time will automatically be extended by two minutes should a higher *valid* bid be received within the last two minutes of the closing time. These automatic extensions will continue until no higher valid bid is received during the last two minutes of the current closing time.

(e) The initial or base price for the auctioned slot will depend on vessel category, as per Official Marine Tariff. The minimum acceptable bid increment shall be $1,000 USD, and any bid increments shall be in multiples of $1,000 USD for all vessel categories.

(f) The auctioned slot will be awarded to the customer who submits the highest bid during the auction period. If two or more customers submit the same amount at the time the auction closes, the slot will be awarded to the bid that was received first. P*roxy bids* have precedence over manual bids when the same amount is placed by two or more participants, provided that the proxy bid was placed prior to the manual bid.

(g) Vessels awarded the auctioned slot have the same options as other booking slots, such as requesting late arrival transit, swaps, substitutions, and change-in-transit-date.

(h) If a cancellation of a slot occurs during or after the auction process, the cancelled slot will be offered through an extraordinary auction process.

(i) If a tug and barge unit or an ITB is awarded the auctioned booking slot, then the larger of the two units will pay the winning bid, while the smaller will be required to pay its normal applicable booking fee.

(j) Information provided by users during the auction process will remain strictly confidential. Once the auction is closed, the complete information with all the placed bids will be published and displayed in the bidding history.

(k) The ACP Auction System is available at:
https://auction.pancanal.com/Auction/APRegistrationRequired.asp

12. *Unused Slots.* Upon expiration of a booking period, if a reserved transit slot allocated to that booking period was not used, for whatever reason, the ~~unused reserved~~ slot will be assigned to vessels seeking reserved transits in the booking period(s) that follow(s).

13. *Transit Condition Changes – Panamax Locks.* When, due to operational factors, sustained Canal capacity is expected to be reduced, a corresponding reduction in the number of available reserved transit slots may be ordered by the Canal Authority, as set forth in the following table:

CONDITION	EST. CAPACITY (panamax locks)	SUPERS	REGULARS	TOTAL
1. Normal operations	33 or over	15	8	**23**
1.a. Reduction in capacity without lane outages (for example: culvert outages or lockages with restrictions)	24 to 32	13	6	**19**
2. Significant reduction in capacity (for example, lane outages)	Less than 24	10	6	**16**
3. Backlog of 90 or more vessels awaiting transit at both Canal terminals for at least 2 days or due to other operational factors	N/A	10	4	**14**
4. Severe reduction in Canal capacity (slides, vessel accidents or other unforeseen circumstances)	N/A	0	0	**0**
5. Reduction in capacity due to implementation of water conservation measures	23	17	5	**22**

14. *Other Conditions.* The ACP *may* invoke *Condition 3, 4, 5,* or a distribution of slots different from the table above due to specific situations, in order to maintain a safe and efficient operation of the Canal.

15. *Notice of Changes.* Whenever transit conditions are to be upgraded to a less restrictive condition, Canal authorities will, when feasible, give vessel agents at least two-day advance notice.

16. *Same Direction Transits/Neopanamax.* During normal conditions, no more than 4 neopanamax may be booked for transit in the northbound direction, and of these, no more than 1 (one) with daylight restriction. Similarly, no more than 3 neopanamax may be booked for transit in the southbound direction, and of these, no more than 1 (one) with daylight restriction. The maximum number of slots that may be allocated to LNG vessels will be two (2) per day (regardless of restriction), either two in the northbound direction, or one northbound and one southbound. *Full-daylight* restricted vessels are not allowed to book their transit.

The maximum number of slots for "*daylight-restricted*" vessels combined with LNG vessels allowed is three (3) per day, as summarized below:

(a) Two northbound LNG vessels and one *daylight-restricted* vessel (either northbound or southbound);

(b) One northbound LNG vessel, one southbound LNG vessel, and one *daylight-restricted* vessel (either northbound or southbound);

(c) One *daylight-restricted* northbound vessel, one daylight southbound vessel, and one LNG vessel (either northbound or southbound).

17. *Same Direction Transits/Supers.*

(a) During normal conditions, no more than eight *supers* may be booked for transit in the southbound direction and, of these, no more than four with daylight restrictions. Similarly, no more than eight *supers* may be booked for transit in the northbound direction and, of these, no more than four with daylight restrictions. The combined number of daylight restricted vessels shall not exceed eight vessels.

Note: During periods of reduced capacity without lane outages, the limits per direction or restriction, as well as the number of JIT transit slots, shall be determined by the Authority, commensurate with the safe and efficient operation of the Canal.

(b) During Conditions 1.a. and 5, no more than seven supers may be booked for transit in the southbound direction, and of these, no more than four with daylight restrictions. Similarly, no more than seven supers may be booked for transit in the

northbound direction and of these, no more than four with daylight restrictions. The combined number of daylight restricted vessels shall not exceed eight vessels.

(c) During Conditions 2 and 3, no more than six *supers* may be booked for transit in the same direction and, of these, no more than four with daylight restrictions. The number of daylight restricted vessels shall not exceed six, and the number of JIT transit slots may not exceed one per direction.

(d) Exceptions to the limits may only be made with the express authorization from the Vice President for Operations, or his designee, and only in such cases where the operational efficiency is not compromised.

18. *Same Direction Transits/Regular Vessels.*

(a) During normal conditions, no more than four regular vessels may be booked for transit in the same direction. Of the total number of slots available, no more than two shall be allocated to regular vessels transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut.

Note: During periods of reduced capacity without lane outages, the limits per direction or restriction, as well as the number of JIT transit slots, shall be determined by the Authority, commensurate with the safe and efficient operation of the Canal.

(b) During Condition 1.a., no more than four regular vessels may be booked for transit in the same direction. Of the six slots available, no more than two may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours or daylight hours in the Cut.

(c) During Condition 2, no more than four regular vessels may be booked for transit in the same direction. Of the six slots available, no more than one may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut. The number of JIT slots offered to regular vessels transiting without restrictions will remain at one per direction.

(d) During Condition 3, no more than two regular vessels will be booked for transit in the same direction. Of the four slots available, no more than one may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut. The number of JIT slots offered to regular vessels transiting without restrictions will remain at one per direction.

(e) During Condition 5, no more than three regular vessels will be booked for transit in the same direction. Of the four regular slots available, no more than two may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut. The number of JIT slots offered to regular vessels transiting without restrictions will remain at one per direction.

(f) Exceptions to the limits may only be made with the express authorization from the Executive Vice President for Operations, or his designee, and only in those cases whereby the operational efficiency is not compromised.

19. *No Re-Assignments*. Once a vessel is assigned a reserved transit slot, that slot will not be re-assigned to any other vessel unless the vessel's agent subsequently cancels the reserved transit or as permitted herein, the vessel is substituted or swaps its reserved transit slot with another vessel booked for transit, or the vessel transits earlier than its booked date.

ARTICLES 19 AND 28

Booked Transits

1. The specific daily order of vessels, as well as the mix of vessels transiting the Canal, whether booked or not, shall be determined by the ACP. Except as provided herein, a booked vessel may transit prior to its reserved transit date, if the transit advancement has been approved by the ACP, or if the ACP determines that assigning the vessel an earlier transit slot promotes operational efficiency.

2. Notwithstanding assignment of an earlier reserved transit slot by the ACP, all booked vessels will be charged the prescribed booking fee.

3. Swapping and substitution of reserved transit slots between or among booked vessels will be permitted only on conditions specified by the ACP.

ARTICLE 23

1. *Dead Tows and handline transits.* Dead tows such as tug and barges, and vessels with certain transit restrictions such as *full-daylight* restricted vessels, may be allowed to book their transits, provided that they are approved for transit by the ACP. Small craft (vessels up to 125 feet in length) transiting as *handlines*, are not required to reserve their transit.

2. *Payment Authorization.* To participate in the Transit Reservation System, the vessel agent must furnish the ACP a letter containing the names and sample signatures of persons designated to authorize payment of the vessel's transit costs (including booking fees).

3. *Booking Form.* To request a reserved transit slot, the vessel agent must complete a Request for Transit Booking by using the available system or other acceptable means as determined by the Authority. The booking request (ACP form 4623) may also be faxed to (507) 272-5137, or personally delivered to the Integrated Operations Control Center, Building 910, La Boca, 24 hours a day.

4. *Processing Requests.* Requests for reservations for the beginning of any booking period will be received daily beginning at 0900 hours, but processing will not

begin until after 0930 hours. Except as established in paragraph (f) of the *Tie-Breaker Criteria* established below, all requests received between 0900 and 0930 hours will be treated as having been received at the same time. Thereafter, requests will be processed in the order they are received. After 0930 hours, the order of preference for requests logged simultaneously is by electronic means, followed by faxed requests to 272-5137, 272-5892 and 272-5736 (in this order) and, finally, requests delivered personally. If, for whatever reason, a vessel agent wishes to withdraw from a competition after having submitted a booking request during competition, shall notify the ACP Booking office in writing (booking@pancanal.com) prior to the closing time of the competition.

5. *Tie-Breaker Criteria*. If, at the time processing begins, transit reservation requests exceed the number of available reserved transit slots for any given period, assignment of available slots to vessels competing for reserved transits will be made in the following order of preference:

(a) Customers with the highest ranking of Panama Canal business. This ranking will be determined based on the weighted average of the ranking of total transits (40%) and tolls paid (60%) during the preceding 12-month period, which ends the last day of the month preceding the month prior to the transit request (i.e. if the transit request is made in December, the last day of the 12-month period would be October 31). Vessels that comply with the Green Connection Initiative requirements will be credited with the corresponding percentage points in the transit portion of their customer ranking, depending on the requirements that the vessels meet, as determined by the Environmental Recognition Program.

The customer ranking will be calculated and published each month by the ACP Billing System.

Shipping agencies must ensure that the Customer Codes are included in all ETA messages, as discrepancies with the Customer Code reported in the Booking Request may invalidate the request.

Note: It is important that the Customer Code provided for each vessel's visit is correct. After completion of a vessel's visit, agents and customers are granted a 30-day grace period to request corrections to the Customer Code provided in the vessel's visit, so that the correct code is credited for the transit.

If two or more vessels with the same customer code are competing for a reserved slot, the vessel agent may request priority for a particular vessel over other vessels with the same customer code. In the Neopanamax locks, vessels must belong to the same market segment. The request for priority for a particular vessel will be applied after the winners during the competition have been determined. The agent must send the written request to the ACP Booking office (booking@pancanal.com) prior to the closing time of the competition.

Non-compliance with the Customer Code procedure by providing incorrect, false, or deficient information to the ACP constitutes a violation of the Maritime Regulations for the Operation of the Panama Canal and may result in fines ranging from $100 to $1,000,000. The application of sanctions does not preclude the ACP from cancelling previously approved consolidation of customer codes and may also result in the loss of the amount of transits that have been credited to the offending customer.

In order to ensure transparency in the use of the Customer Codes, the ACP submits an electronically generated notification to customers whenever an ETA or Ship Due transaction has been created or a customer code of an existing ETA or Ship Due is modified in the Panama Canal Service Portal. A response is only required if the customer code is being used without authorization. Random verification of customer codes used in booking applications may also be done to ensure the proper use of the customer codes. Canal customers shall maintain their official electronic mail addresses up to date by contacting the Shipping Customer Service Management Office at: customerservice@pancanal.com

(b) Vessels in the order of frequency they transited booked during the preceding 12-month period, which ends the last day of the month preceding the month of the transit request;

(c) Vessels in the order of frequency they transited, whether booked or not, during the preceding 12-month period, which ends the last day of the month preceding the month of the transit request;

(d) Vessels in the order of their most recent transit, whether booked or not;

(e) Vessels which, on at least the two previous consecutive days, requested, but failed to obtain reserved transit slots because they did not win under the preceding tie-breaker criteria.

(f) Vessels in the order in which booking requests are received.

6. *Incomplete Booking Request Forms.* Transit booking request forms that are incomplete (including not furnishing the vessel's ETA), not signed by the vessel's agent (when required), faxed to the wrong number, or personally delivered to someone other than the designated MTC reservation coordinator, cannot be processed. Failure of the vessel agent to provide complete and accurate information required by the ACP when requesting transit bookings may result in rejection of the booking request or cancellation of the vessel's reserved transit slot.

7. *Acknowledgments.* Vessel agents will be furnished acknowledgments of receipt of transit booking requests as soon as possible following receipt.

8. *Notifications.* Notification of approval or disapproval of a transit booking request will be furnished to the vessel agent once the request is processed.

9. *Substitutions.* A vessel already booked may only be substituted by another non-booked vessel, subject to the following conditions:

(a) Both vessels are registered with the same customer code;

(b) Both vessels are transiting in the same direction;

(c) The new vessel must be within the same vessel classification (*Neopanamax*, *super* or *regular*) and be subject to the same or lesser transit restrictions as the original one. In addition, between Neopanamax vessels, both vessels must belong to the same market segment; and

(d) The request for substitution shall be received by the ACP Integrated Operations Control Center at least 24 hours or more prior to the required arrival time of the booked vessel.

Substitutions will incur a charge, in accordance with the following table:

SUBSTITUTION TABLE	
Notice Period (In advance of required arrival time)	**Substitution Fee** (Based on the vessel's regular booking fee)
Over 30 days	$500.00 (administrative charge)
Over 14 to 30 days	20% of booking fee
Over 7 to 14 days	40% of booking fee
Over 4 to 7 days	60% of booking fee
4 days or less	80% of booking fee

The booking fee applied to the substituting vessel will be the higher of the two booking fees applicable to the vessels involved in the substitution, in accordance with the current booking rates.

If the requested substitution involves a booked vessel approved for the JIT transit service, the new vessel will not retain the JIT transit. If interested, the JIT transit shall be requested once the substitution is approved.

10. *Swapping.* Swapping of reserved transit slots between two booked vessels is allowed, subject to the following conditions:

(a) Both vessels must be booked for transit within 21 days of each other;

(b) Both vessels must be transiting in the same direction;

(c) Both vessels must be within the same vessel classification (Neopanamax, super or regular) and be subject to the same transit restrictions and arrival requirements. In addition, between Neopanamax vessels, both vessels must belong to the same market segment;

(d) Both vessels are registered with the same customer code;

(e) A request for swapping must be received by Integrated Operations Control Center no later than 24 hours prior to the earliest required arrival time of the vessels involved in the swap. Such request may be made in writing;

(f) The booking fee applied to both vessels will be the higher of the two booking fees applicable to the vessels involved in the swapping, in accordance with the current booking rates; and

(g) Vessels are permitted to swap their reserved transit slot up to five times per booking per visit. The swapping fee to be applied will depend on the number of swaps the vessel is involved in, according to the following table:

NUMBER OF SWAPS	SWAPPING FEE
1st swap	Included in the transit reservation fee
2nd swap	40% of the reservation
3rd swap to 5th swap	60% of the reservation

The payment shall be made once the swap is approved by the ACP.

(h) For swaps involving two booked vessels with JIT transit service, or involving one vessel with JIT, each JIT must be requested once the swap is approved, regardless of if the JIT transit service was previously approved.

11. *Swaps and Substitutions between Alliance Members*. For the Neopanamax locks, swapping and substitutions of booking slots between container vessels of alliance members will be allowed, under the following conditions:

(a) Both vessels must be of the same type and must belong to the containership segment.

(b) Both vessels must be Neopanamax vessels.

(c) Both vessels must be transiting in the same direction.

(d) For swaps, vessels must have similar transit restrictions, and for substitutions, the new vessel must have similar or lesser transit restrictions.

(e) Both vessel customers must belong to services under the same alliance.

(f) The booking date of the vessels involved in the swap or substitution must be within the effective date of the services and of the alliance.

Vessel agents or shipping lines interested in having vessels involved in swaps and substitutions within alliance members shall send documentation regarding the alliance agreement to customerservice@pancanal.com. The ACP may request additional information from shipping lines in order to verify their membership in the alliance. It is important that vessel agents register in the Maritime Service Portal the corresponding liner service for each vessel's visit prior to submitting the request for swap or substitution.

Any changes to the members of established alliances, changes in the effective dates, customer consolidations or deactivations, shall be presented to ACP in a timely manner in order to update our records.

The provisions established herein may be either modified or suspended at any time at the discretion of the ACP, in order to guarantee operational efficiency.

12. *Change in booking date*. A change in booking date will be allowed without charge, if it is requested 60 days or more prior to the reserved arrival date. The booking fee applied will be in accordance with the booking rates applicable at the time the change is requested.

The tariff to be applied to vessels when requesting changes in reservation date will be in accordance with the following table:

CHANGE RESERVATION DATE TABLE

Notice Period (In advance of required arrival time)	**Change reservation date Fee** (Based on the vessel's booking fee)
60 days or more	No charge
Over 21 days to less than 60 days	60% of booking fee
Over 7 to 21 days	70% of booking fee
Over 4 to 7 days	80% of booking fee
4 days or less	100% of booking fee

13. *Charges for daylight transit*. Only *non-daylight-restricted* passenger vessels, military and other non-commercial government-owned vessels, and yachts may request the daylight transit service, provided that they have been booked. The daylight transit fee is $30,000.00, as per the ACP Official Maritime Tariff. For purposes of this option, a *daylight transit* is a transit in which the passage through two sets of locks and Gaillard Cut is accomplished during daylight hours.

The cancellation of a daylight transit request will incur a charge, in accordance with the following table:

DAYLIGHT TRANSIT CANCELLATION TABLE	
Notice Period (in advance of required arrival time)	**Cancellation Fee** (based on the vessel's regular booking fee)
Over 60 days	No charge
Over 21 to 60 days	40% of booking fee
Over 72 hours to 21 days	60% of booking fee
36 to 72 hours	80% of booking fee
Less than 36 hours	100% of booking fee

The cancellation fees applicable to a daylight transit for regular passenger vessels will be based on an arrival time of 1400 hours.

ARTICLE 26

Passenger and Full Container vessel preference

Commercial passenger vessels shall be given preference over other vessels in transiting, provided they have been booked, and to the extent that such treatment does not impair the safe and efficient operation of the Canal. Additionally, full container vessels may be given preference in transiting, provided they have been booked, and to the extent that such treatment does not impair the safe and efficient operation of the Canal.

ARTICLE 23

(Regulation to Set Tolls, Rates and Fees for the Transit of Vessels through the Canal, and Rendering Related Services and Complementary Activities, Articles 1 and 4, Panama Canal Authority Official Maritime Services Tariff, series 1050)

Booking and other fees

The booking fee for reserving a transit slot for a vessel shall be in accordance with the Panama Canal Authority Official Maritime Tariff.

The fee for the Just-In-Time transit service will be in accordance with the Official Maritime Tariff.

The Transit date advancement fee will be applied to booked full container vessels that request their transit be advanced to an earlier date. The request is subject to evaluation by the ACP prior to being approved.

Vessels that cancel the transit date advancement request will be assessed the transit date advancement fee. Similarly, vessels that cancel their booking after the transit

date advancement request has been approved will also be assessed the transit advancement fee.

The *High Demand surcharge (for Neopanamax locks only):* surcharge to be applied to vessels that acquire a booking for the day determined as “high demand” by the ACP. The rules for the application of the high demand surcharge are:

(a) Full container vessels that reserved for a date not identified as high demand, but request transit advancement to a day of high demand: the “high demand” surcharge will be applied in addition to the “transit date advancement” charge.

(b) Full container vessels that reserve for the day of high demand but subsequently request transit advancement to a day not identified as high demand will not be assessed the high demand surcharge since the vessel will be pay the transit advancement charge.

(c) Vessels that reserve for the day of high demand but do not transit due to deficiency or condition: the “high demand” surcharge will be applied in addition to the booking forfeiture fee. This surcharge will not be applied if the vessel does not transit on the day of high demand due to reasons not attributable to the vessel.

(d) Vessels that cancel their booking for the day of high demand, with less than 96 hours from the required arrival time will be assessed the high demand surcharge in addition to the regular cancellation fee.

(e) Swaps between vessels where one of the vessels reserved for the day of high demand: the “high demand” surcharge will be applied to the vessel that is assigned the booking for the day of high demand.

(e) Vessels that obtain a booking for a day not identified as of high demand but later elect to change their booking to a day identified as “high demand” will pay the high demand surcharge, in addition to any other charges that may apply.

(f) Vessels that reserve for a day identified as “high demand” after the booking was awarded will not be assessed the high demand surcharge.

FURTHER IMPLEMENTATON OF ARTICLE 23

1. *Payments.* Booking fees shall be paid or secured in the same manner as tolls and other vessel charges prescribed by the ACP Official Tariff.

2. *All Vessels Included.* Except as otherwise provided in the rules, all vessels booked for transit, including commercial passenger vessels, shall pay booking and other prescribed fees inherent to transiting the Canal.

3. The booking fees are based on vessel dimensions, in accordance with the following table:

BOOKING FEE TABLE	
PANAMAX LOCKS	
Regulars: vessels with less than 27.74 m (91 feet) in beam	$10,500
Supers: Vessels with a LOA of 294.44 m (966 feet) or less, and a maximum beam of 32.61 m (107 feet)	$41,000
NEOPANAMAX LOCKS	
Vessels with beam greater than 32.61 m (107 feet), or vessels with LOA greater than 294.44 m (966 feet)	$80,000

Note: vessels that exceed 32.61m (107 feet) in beam or 294.44m (966 feet) in LOA that are approved for transit through the panamax locks will be assessed the corresponding booking fee for *supers*. Vessels with panamax locks dimensions that due to configuration or special conditions are required to transit through the Neopanamax locks will be assessed the booking fee for Neopanamax locks.

ARTICLE 30

Penalties

1. The reserved transit slot of a vessel booked for transit will be cancelled by the ACP and the vessel will be penalized by way of forfeiture of the prescribed booking fee, or the applicable minimum fee, whichever is greater, in the following situations:

- When a *Neopanamax* vessel (excluding LNG carriers) does not arrive at a Canal terminal by 2200 hours of the previous day of its booking date;

- When a *Neopanamax* LNG carrier has been booked for transit and does not arrive at Canal terminal by 0200 hours of its booking date;

- When a *super* or a *regular* vessel that is subject to transit restrictions (clear-Cut, clear-Cut daylight hours) has been booked for transit and does not arrive at a Canal terminal by 0200 hours of its booking date;

- When a regular vessel that is not subject to transit restrictions has been booked for transit and does not arrive at a Canal terminal by 1400 hours of its booking date;

- When a vessel booked for transit arrives on time but cannot or, at the vessel operator's election, does not transit as scheduled despite the readiness of Canal authorities to proceed; or

- When a vessel booked for transit with a JIT service does not arrive at the established arrival time or arrives on time but cannot transit as scheduled despite the readiness of Canal authorities to proceed.

2. Vessels booked for transit that fail to arrive by their required arrival time may elect to transit on the day of their booking when re-scheduling is possible without adversely affecting other vessels, subject to an additional fee. The applicable fee for late arrivals will be determined by the vessel's actual arrival time, in accordance with the following table:

LATE ARRIVAL PENALTY FEE TABLE	
Late Arrival (based on vessel's required arrival time)	**Additional Fee (based on the vessel's regular booking fee)**
Up to one (1) hour after the required arrival time	25% of booking fee
More than one (1) hour and up to 2 hours	50% of booking fee
More than two (2) hours	100% of booking fee
Just-In-time (JIT)	50% of booking fee

3. *Just-In-Time* booked vessels that fail to arrive by their required arrival time may elect to transit on the day of their booking, when re-scheduling is possible without adversely affecting other vessels, subject to payment of an additional fee. The applicable fee for late arrivals of JIT vessels will be 50% of their corresponding booking fee based on vessels dimensions.

4. Vessels allocated through the auction process that fail to arrive by their required arrival time may opt elect to transit on the day of their booking, when re-scheduling is possible without adversely affecting other vessels, subject to payment of an additional fee. The additional fee for late arrival of vessels allocated through the auction process will be a percentage of their regular booking fee based on dimensions, and not based on the amount awarded in the auction process.

5. Canal authorities may cancel the vessel's booking without charge or may waive assessment of a penalty fee if the vessel's late arrival was due to a medical or humanitarian emergency, *force majeure* or fortuitous event arising between the vessel's last port and its arrival at Canal waters that could not have been reasonably predicted in advance. Likewise, the vessel's booking may be cancelled without charge if the vessel arrives on time but cannot transit due to force majeure or a fortuitous event that could not have been anticipated or prevented by the vessel. In either case, the vessel shall present in a timely manner, acceptable proof that substantiates the reason for late arrival or inability to transit.

6. Failure of the vessel agent to provide complete and accurate information required by the Authority when requesting transit bookings may result in rejection of the booking request or cancellation of the vessel's reserved transit slot.

7. When a vessel's reserved transit slot is canceled, and unless otherwise directed by the vessel agent, the ACP will re-schedule the vessel for regular transit.

FURTHER IMPLEMENTATION OF ARTICLE 30

Waiver Criteria. The Authority must be able to independently verify the event that allegedly caused late arrival or the vessel's transit to be cancelled. Heavy seas and bad weather conditions routinely encountered by vessels at sea, or delays at port or while at anchor are not considered extraordinary phenomenon or events of major proportions so as to justify waiver of assessment of penalty fees. The decision of the Canal Authority shall be final.

ARTICLES 24 AND 32

Re-scheduling

1. Except as otherwise provided and without the booked vessel being assessed a penalty fee, the vessel agent may request cancellation of a vessel's reserved transit slot and reschedule the vessel for regular transit or, alternatively, request assignment of an alternate reserved transit slot, in the following situations:

(a) If for whatever reason the ACP cancels the transit of a vessel booked for transit that is otherwise ready to proceed as scheduled; or

(b) If for whatever reason the ACP delays the transit of a booked vessel to the point where it may prevent the vessel's arrival on time for a second transit on a later date that has been reserved before the delay of the first transit occurred.

2. A vessel booked for transit will be deemed to have transited the Canal on its reserved transit date if the vessel arrives at the first set of locks at either Canal terminal prior to 2400 hours that day and her In-Transit Time (ITT) is 18 hours or less, or as determined by the ACP. The ITT begins when the vessel arrives at the first set of locks at either Canal terminal and ends when the vessel departs the last set of locks at the opposite terminal. No booking fee will be charged if, due to events that are beyond the control of the booked vessel as determined by the ACP, the ITT exceeds 18 hours (or 36 hours for vessels booked through certain special auctions). This provision shall not apply in the case of a turn-around transit in which the vessel begins and completes its transit in the same terminal of the Canal, or in the case of dead tows and other full-daylight restricted vessels.

FURTHER IMPLEMENTATION OF ARTICLES 24 AND 32

1. *Turn-Around Transits Excluded. ACP Navigation Regulation, Article 17,* shall only apply where, during the course of a scheduled transit, a vessel booked for transit arrives the first set of locks at either Canal terminal and departs the last set of locks at the opposite Canal terminal. This rule shall not apply to a "turn-around" transit where, during the course of a scheduled transit, a vessel booked for transit arrives and departs the *same* set of locks at either Canal terminal.

ARTICLE 28

The Authority may transit a booked vessel prior to its reserved transit date, if such transit does not impair the safe and efficient operation of the Canal. In these cases, the vessel will be deemed to have transited the Canal in compliance with the ITT if the vessel departs the last set of locks prior to 2400 hours of the reserved transit date.

ARTICLE 29

(Panama Canal Authority Official Maritime Tariff)

Cancellations

1. A vessel agent may cancel the transit reservation by providing advance notice, through a cancellation request form, as prescribed by the Canal Authority. In such a case, and except as otherwise provided, a cancellation fee will be charged. The amount of the fee will depend on the notice period (days or hours) received by the Authority in advance of the vessel's required arrival time according to the following table:

BOOKING CANCELLATION TABLE	
Notice Period (In advance of required arrival time)	**Cancellation Fee** (based on the regular booking fee)
Over 90 days	50% of booking fee
over 21 to 90 days	60% of booking fee
over 7 to 21 days	70% of booking fee
4 to 7 days	80% of booking fee
Less than 4 days (96 hours)	100% of booking fee

The fees applicable to booking cancellations for passenger vessels and vessels who have been awarded a JIT transit service are determined based on an arrival time of 0200 hours for vessels with restrictions and an arrival of 1400 hours for vessels without restrictions.

The fees applicable for cancellation of auctioned slots will be the corresponding percentage of the winning bid based on the advance notice.

2. Booking cancellation requests will not be accepted if received after the vessel's required arrival time or if the vessel is already underway for transit.

3. Booking slots that become available during all the booking periods (except Booking Period 3) due to cancellations, changes in booking dates, or other reasons, will be offered through special competitions, in the following manner:

- A notification will be sent by the ACP by email to local registered vessel agents.

- Booking requests for slots offered in the "special competition" will be received from 0900 to 0930 hours of the day following the date of publication; however, processing will not begin earlier than 0930 hours.

- The procedure utilized during the "special competition" for the allocation of the available slots will be the same as the procedure utilized to allocate slots during the regular tie-breaker competition.

- Any booking request received prior to the opening of the "special competition", will not be accepted.

- Any booking request received after the cancellation or the change in transit date takes place, but before the opening of the "special competition," will not be accepted. In order for these requests to be considered, they must be re-submitted during the "special competition" period.

- If there are no vessels interested in the slot offered during the "special competition," the slot will then become available on a *first come-first served* basis for the remainder of the period.

- If a cancellation or a change in date occurs on the last day of Period 1 or Period 1.a., the slot that becomes available will be carried over to the following period and will be offered through the normal competition process.

- All times referenced are local times.

4. All slots that become available due to cancellations or other reasons during the 3rd period will be offered through the auction process. Slots that are carried over from Period 2 to Period 3 will also be offered through auctions. If, after the slots have been offered, there are no interested vessels, the slots will not become available.

5. Super and regular vessels that have requested a booking slot for a particular date and were rejected due to unavailability of slots (during any booking period except Period

3), and subsequently obtain a slot for an alternate date, will be allowed to change to the original date without being assessed a cancellation fee, provided that they participate in the tiebreaker competition for the slot; and that the reservation for the alternate date was awarded in the same booking period, but prior to the slot for the original date becoming available.

6. Neopanamax vessels that have requested a booking slot for a particular date and were rejected due to unavailability of slots during any booking period (except Period 3), and subsequently obtain a slot for an alternate date, will be allowed to change to the original date without being assessed a fee for the change, provided that they participate in the tiebreaker competition for the slot; and that the reservation for the alternate date was awarded prior to the slot for the original date becoming available. This provision also applies to vessels interested in slots that become available during the second booking period competition. For this provision to be applied, the booking request shall be submitted during the tiebreaker competition (regular or special) for such slots.

7. Vessels from all three vessel categories whose booking requests for a particular date were rejected due to unavailability of slots during any booking period except Period 3, and subsequently obtain a slot for an alternate date through the auction process, may change to the original date requested without being assessed an additional fee. In such cases, the booking fee to be applied to the vessel will be based on the winning amount during the auction.

8. Vessels from all three vessel categories that obtain a slot for a particular date through the auction process, and subsequently obtain a slot for another date also through the auction process, will not be assessed a fee for the change to the new date, if the vessel was rejected for that date in previous periods due to unavailability of slots. Otherwise, the vessel shall pay the corresponding cancellation fee based on the auction amount during the auction.

9. Vessels from all three vessel categories that have requested a booking slot for a particular date and were rejected due to unavailability of slots during any booking period (except Period 3), and subsequently obtain a regular slot for an alternate date, will be allowed to change to the original date without being assessed a fee for the change, if the slot for the original date is acquired through the auction process during Booking Period 3.

*10. Booking Cancellation Surcharges (*for Neopanamax LNG vessels only): For booking cancellations between 15 and 30 days prior to the vessel's booking date, an additional fee of $25,000.00 USD will be assessed in addition to the regular cancellation fee, as per the official Marine Tariff.

For booking cancellations with less than 15 days prior to the vessel´s booking date, a surcharge of $35,000.00 USD will be assessed in addition to the regular cancellation fee as per official Marine Tariff.

LNG vessels that cancel their booking with less than 15 days and do not arrive at Canal waters for transit within 7 days of the booked date, or LNG vessels that do not cancel their booking, but fail to arrive within 7 days of their booked date, will be assessed the cancellation surcharge as per Official Maritime Tariff, in addition to the regular cancellation fee. Otherwise, the cancellation surcharge will not be assessed.

The 0.5 transit reduction in the transit portion of the customer ranking will be applied if the LNG vessel fails to arrive within the next 7 days of the booked date.

The surcharges and ranking penalty mentioned in the previous paragraphs shall not apply when the reason for the vessel´s late arrival or cancellation of the reservation is due to a medical or humanitarian emergency, fortuitous event or force majeure, as stated in Article 31 of the Maritime Regulations for the Operation of the Panama Canal.

Cancellations due to substitutions and changes in booking dates will not incur in the above-mentioned surcharges.

11. Reservation Date Changes for Gatun Recreational Facilities: Changes in the reservation dates for the use of Gatun Recreational Facilities will incur in a cancellation charge. The amount to be charged will depend on the advance notification of the cancellation, in accordance with the ACP's Official Tariff.

FURTHER IMPLEMENTATION OF ARTICLE 29

(Panama Canal Authority Official Maritime Tariff)

1. *Cancellation Form.* To cancel a transit booking, the vessel agent must complete a Request for Transit Booking Cancellation by using the available system as determined by the Authority. The transit booking cancellation request (ACP form 4633) may also be faxed to (507) 272-5137, or personally delivered to the Integrated Operations Control Center at Building 910, La Boca, 24 hours a day.

2. *Advance Cancellation Notice.* The amount of the cancellation fee to be assessed will be determined by the date and time of reception by the ACP´s Integrated Operations Control Center of the cancellation notice.

ARTICLE 9

Regular transits

Vessels that are not booked for transit will be scheduled to transit on the date and in the order determined by the ACP. In establishing the daily transit schedule, the order in

which vessels arrive in Canal waters for transit is only one of several items to be considered.

ARTICLE 33

Temporary suspension of the Transit Reservation System

1. The ACP may temporarily suspend the Transit Reservation System, in whole or in part, and for an indefinite period of time, when it is determined that such action is necessary to ensure continued safe and efficient operation of the Canal.

2. No penalty or fee will be levied against any booked vessel whose reserved transit slot is canceled by reason of a temporary suspension of the Transit Reservation System.

ADDITIONAL PROVISIONS

To facilitate the efficient operation of the Transit Reservation System, the ACP may establish additional policies and procedures, define additional terms, and issue clarifications and interpretations consistent with the provisions of this Notice to Shipping. Further implementation, clarifications or interpretations will be published and distributed to Canal customers through Advisories to Shipping or other appropriate means as determined by the ACP.