



CANAL DE PANAMÁ

**Frequently Asked Questions (FAQ)
Long-Term Slot Allocation (LoTSA) in the Transit
Reservation (Booking) System for Neopanamax
vessels**

September 12, 2024

Panama Canal Authority

Frequently Asked Questions (FAQ)

Question	Answer																																										
General																																											
1. What is the Long-Term Slot Allocation method?	The Long-Term Slot Allocation (LoTSA) is a new method to secure transit slots in the Panama Canal whereby customers can obtain transit slot packages through a Sealed bid process available in the Panama Canal Transit Auction Application.																																										
2. What is the required information to place a bid?	The Customer Code, the bid amount, number of packages, payment method and guarantor bank will be the only information required to place a bid.																																										
3. What is the open period for each bid process?	The bidding process for the packages will open not earlier than 0800 hours on day one and the closing time will be at 1200 hours on the next day.																																										
4. When is the auction opening for the sealed bid processes?	The sealed bid processes for the first calendar year period will be held beginning September 9, 2024, for booking dates from January 5, 2025, to January 3, 2026, as shown in the following table: <table border="1" style="margin: 10px auto;"> <thead> <tr> <th>Market Segment</th> <th>Number of Packages</th> <th>Slots per Package</th> <th>Auction Opening Date</th> </tr> </thead> <tbody> <tr> <td rowspan="2">LNG/LPG</td> <td>6</td> <td>24</td> <td>September 9, 2024</td> </tr> <tr> <td>18</td> <td>12</td> <td>September 11, 2024</td> </tr> <tr> <td rowspan="2">Full Containers</td> <td>7</td> <td>104</td> <td>October 1, 2024</td> </tr> <tr> <td>7</td> <td>52</td> <td>October 3, 2024</td> </tr> <tr> <td>All</td> <td>1</td> <td>6</td> <td>October 7, 2024</td> </tr> </tbody> </table>	Market Segment	Number of Packages	Slots per Package	Auction Opening Date	LNG/LPG	6	24	September 9, 2024	18	12	September 11, 2024	Full Containers	7	104	October 1, 2024	7	52	October 3, 2024	All	1	6	October 7, 2024																				
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5. What's the total slots that will be offered across all packages? How many slots per direction?	Depending on the package, the number of slots varies. The following table summarizes the package availability and the slot distribution per package to be allocated the first year through the LoTSA method for booking dates from January 5, 2025, to January 3, 2026: <table border="1" style="margin: 10px auto;"> <thead> <tr> <th rowspan="2">Market Segment</th> <th rowspan="2">Offering Number</th> <th rowspan="2">Number of Packages</th> <th rowspan="2">Slots per Package</th> <th rowspan="2">Transit Frequency</th> <th colspan="2">Slots per Direction</th> </tr> <tr> <th>N</th> <th>S</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Full Containers</td> <td>1</td> <td>7</td> <td>104</td> <td>1 per direction each week</td> <td>52</td> <td>52</td> </tr> <tr> <td>2</td> <td>7</td> <td>52</td> <td>1 each week</td> <td>52</td> <td></td> </tr> <tr> <td rowspan="2">LNG/LPG</td> <td>3</td> <td>6</td> <td>24</td> <td>2 per month</td> <td></td> <td>24</td> </tr> <tr> <td>4</td> <td>18</td> <td>12</td> <td>1 per month</td> <td></td> <td>12</td> </tr> <tr> <td>All</td> <td>5</td> <td>1</td> <td>6</td> <td>1 per month</td> <td></td> <td>6</td> </tr> </tbody> </table>	Market Segment	Offering Number	Number of Packages	Slots per Package	Transit Frequency	Slots per Direction		N	S	Full Containers	1	7	104	1 per direction each week	52	52	2	7	52	1 each week	52		LNG/LPG	3	6	24	2 per month		24	4	18	12	1 per month		12	All	5	1	6	1 per month		6
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6. What is the base price for each slot?	The initial or base price of the sealed bid auction for each slot included in the package will be \$200,000 USD (Two Hundred Thousand US dollars). Although the bid to be registered in the application is per slot, the commitment is for the total number of slots. For example, if the package acquired is for 12 slots (one per month), and the winning bid is \$300,000 USD per slot, the commitment is for \$3.6 million USD.																																										
7. Who will be awarded the slot if there is a tie in the offered amount?	The Long Term Slots Packages will be awarded to the customers who submit the highest bid during the auction. If two or more customers submit the same amount during the auction, the slot will be awarded to the bid that was received first.																																										

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<p>8. Which added values will receive each customer that obtain a Long Term Slot Package?</p>	<p>Customers awarded Long Term slots will enjoy the following benefits without charge:</p> <ul style="list-style-type: none"> • Swaps and substitutions requested at least 8 days prior to the required arrival time. Requests made within 7 days of the required arrival time will incur a substitution and/or swapping fee. • Flexibility may be granted for transit up to 2 days following the booking date, on the condition that the request is made no less than 8 days prior to the booking date and subject to evaluation by the ACP. Any other cases will be assessed with the booking rates applicable at the time the service is requested. • Customers with higher bids will have priority when choosing their transit dates within the week the slot belongs to. • Booking slots acquired via the LoTSA method will be exempt from the High Demand surcharge if the vessel transits on the day of high demand.
<p>9. If I get a Long Term Slot Package, can I apply for JIT and transit date advancement services?</p>	<p>Customers awarded Long Term slots have the same options as other booking slots such as Just in time and transit date advancement subject to an additional fee as per the published Official Maritime Tariff.</p>
<p>10. Is there an additional charge for Long Term Slot Packages cancellation?</p>	<p>In the event of a Long Term slot cancellation, a fee equivalent to the auctioned booking slot price will be applied. Furthermore, cancellations made less than 2 days prior to the required arrival time will incur an additional fee of 250% of the reservation tariff (Tariff 1050.IBN1) if the vessel does not arrive within the next 7 days of the booked date, in addition to the cancellation fee for LoTSA slot (Tariff 1050.IBC8).</p>
<p>11. Are slots transferable?</p>	<p>Slots are not transferable to other customers unless the customers operate within an alliance and meet the requirements specified in Notice to Shipping N-7-2024 and Customer code issuance, consolidation and deactivation procedures.</p>
<p>12. If we obtain a package that has more slots than we need, can we sell them to the other customers?</p>	<p>Transferring your slots to other customers is not permitted unless the customers operate within an alliance and meet the requirements specified in Notice to Shipping N-7-2024 and the Customer Code Issuance, Consolidation and Deactivation Procedures. Selling of transit slots to other customers is prohibited.</p>
<p>13. When is the deadline to confirm the exact transit date for a Long Term slot?</p>	<p>The specific transit date for a Long Term slot must be confirmed no later than 35 days before the start of the intended LoTSA month or week. Failure to submit the booking request by this deadline will result in the forfeiture of the slot, and the customer will incur a cancellation fee equivalent to the sealed bid amount. It is recommended to submit the</p>

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	date and name of the vessel within the assigned period for the acquired slot position.
14. Is there any change in toll payment with the new LoTSA method?	We do not anticipate any changes to the tolls' payment process. The current official toll tariffs are available on our website.
15. What happens if the number of packages offered exceeds the number of customers participating in the auction?	In case there are customers interested in more than one package, and the number of packages offered exceeds the number of customers participating in the auction, one package will be allocated to each customer that participated in the auction by their bid amount, in descending order (from highest to lowest) and the remaining packages will be allocated individually using the same bid amount order within the customers that are interested in more than one package.
16. What day would be the start of the week?	Each week spans from Sunday to Saturday.
17. Have you considered offering this scheme every year?	Depending on the results of this pilot program, we may consider this scheme every year. Further information will be announced in a timely manner.
18. What will happen to the current reservation and auction system?	The ordinary Reservation System and Auction will continue to operate as they do currently, albeit with minor modifications, allowing you to use them as usual.
19. What will happen to the slots that are not awarded through the LoTSA initiative?	The slots not allocated through the LoTSA initiative will be carried over to the ordinary Transit Reservation System and the Panama Canal Auction System.
20. Is it possible to roll over the LoTSA slots to the following month?	Yes, a roll over of up to two (2) days is permitted. For instance, if the selected date is the 31st of the current month, the roll over can extend up to the 2nd of the next month.
21. Have you considered to implement this pilot plan in Panamax locks?	This pilot program only applies to the Neopanamax locks. Depending on the results, this scheme may be considered for the Panamax locks in the future.
22. When is the deadline to submit the payment for my slot obtained through the LoTSA method?	Customers must pay in cash or post a bank guarantee, in the legal currency of the Republic of Panama, not later than 96 hours prior to the transit date.