

November 9, 2006

MR'S ADVISORY TO SHIPPING No. A-33-2006

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – OCTOBER 2006

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	272
b. Pilots in Training	6
c. Tugs	24
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	34.81	46	24
Oceangoing Transits	35.19	42	30
Canal Waters Time (hours)	26.64	37.47	17.40
In-Transit Time (hours)	10.81	16.95	8.66

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80´ Beam	310	10.00	28.41
Vessels 80´ Beam and Over	<u>781</u>	<u>25.19</u>	71.59
Total of Oceangoing Transits:	1091	35.19	

Vessels 100´ Beam and Over	571	18.42	52.34
Vessels 900´ Length and Over	157	5.06	14.39

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)	465*	452*	97.20
Regular vessels (beam < 91')	248*	205*	82.66

*Does not include additional auctioned booking slots

3. The following page provides the scheduled locks maintenance work and other items of interest to the shipping community.
4. This advisory will be canceled for record purposes on November 30, 2006.

ORIGINAL SIGNED

Arcelio H. Hartley
Acting Maritime Operations Director

TENTATIVE SCHEDULE OF LOCKS MAINTENANCE WORK FOR FY 2007						
Dates	Outage Days	Miraflores	Pedro Miguel	Gatun	Estimated Transit Capacity	Status
Nov. 7-17	8	Lane with restrictions (10d)		Centerwall culvert outage - Nov. 8-16 (8d)	32-36 during restrictions* 30-32 during culvert outage	Confirmed
Dec. 13-15	2.5		Lane Outage Dec. 13-14 (30 Hrs.)	Lane Outage (60 Hrs)	26-28	Tentative
Dec. 20-22	2.5		Lane with restrictions Dec. 20-21 (36 Hrs.)	Lane Outage (60 Hrs)	26-28	Tentative
June 13-22	3	Lane with restrictions (10d)	Lane Outage June 20-22 (3d)		32-36 during restrictions* 26-28 during outage	Tentative
July 11-20	2	Lane with restrictions (9d)	Lane Outage July 19-20 (2d)		32-36 during restrictions* 26-28 during outage	Tentative
Aug. 8-10	2.5			Lane Outage (60 Hrs)	26-28	Tentative
Aug. 14-23	2	Lane with restrictions (9d)	Lane Outage Aug. 22-23 (2d)		32-36 during restrictions* 26-28 during outage	Tentative
Sept. 5-15	6		Lane Outage Sept. 5- 10 (6d)	Lane with restrictions Sept. 5-15 (10d)	32-36 during restrictions* 26-28 during outage	Tentative
Sept. 26-28	2.5			Lane Outage (60 Hrs)	26-28	Tentative

* **Note:** Actual transit capacity will depend on the type of restriction imposed during work.

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 VOTES "YES" TO PANAMA CANAL EXPANSION

The Constitution of Panama requires that the project to expand the Canal through a third set of locks, which was presented by the Panama Canal Authority (ACP) in April, be subject to a national referendum. The enthusiasm and energy was apparent as voters took part in this historical event that determined the future of the Panama Canal, with 77.8% of voters having favored the expansion.

"Panamanians made history. We are honored by their trust and humbled by the responsibility in front of us," said Dr. Ricaurte Vásquez Morales, Chairman of the ACP's Board of Directors and concurrent Minister for Canal Affairs. "We spent years studying, researching and preparing and we are ready. This project will be done efficiently and transparently. With this vote, the Canal will be able to grow with demand, improve service, spur economic growth in Panama and maintain the Canal's competitive advantage," concluded Vásquez.

After 92 years of serving world commerce, the Canal will now embark on a major expansion that will accommodate the surging demand for the routes utilizing the Canal and its services, particularly the rapid growth in the route from Asia through the Canal to the United States and back -- known as the "All-Water Route."

The cost of the Canal expansion, estimated at \$5.25 billion, will be covered by Canal customers through a system of gradual toll increases. The project will include the construction of two new sets of locks, one in the Pacific and one in the Atlantic, which will provide a new traffic lane, double Canal capacity, and accommodate larger vessels without interfering or disrupting current Canal traffic. This expansion will benefit world trade, as well as maximize Panama's strategic location, moving toward becoming the great maritime hub of the Americas. Updates on the expansion and the contracting process will be regularly provided.

The ACP maintains its commitment to environmental conservation efforts along the Canal watershed, as well as safeguarding the water resource for Panama City and the Canal.

Since the U.S. handover in 1999, the Canal has been successfully managed and operated by the Panama Canal Authority, while breaking several efficiency, safety and reliability records. "We are up to the task to take on Canal expansion, to add more capacity and to ensure reliable service years to come," said Alemán Zubieta, ACP Administrator/CEO.