

January 5, 2007

MR'S ADVISORY TO SHIPPING No. A-39-2006

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – DECEMBER 2006

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	271
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	37.10	48	25
Oceangoing Transits	37.16	43	25
Canal Waters Time (hours)	26.05	32.88	18.83
In-Transit Time (hours)	10.71	14.09	8.97

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80´ Beam	355	11.45	30.82
Vessels 80´ Beam and Over	<u>797</u>	25.71	69.18
Total of Oceangoing Transits:	1152	37.16	

Vessels 100´ Beam and Over	557	17.97	48.35
Vessels 900´ Length and Over	159	5.13	13.80

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)	455*	450*	98.90
Regular vessels (beam < 91')	244*	233*	95.49

*Does not include additional auctioned booking slots

- The following page provides the scheduled locks maintenance work and other items of interest to the shipping community.
- This advisory will be canceled for record purposes on January 31, 2007.

ORIGINAL SIGNED

Capt. 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
Dec. 20-22	2.5		Lane with restrictions Dec. 20-21 (56 Hrs.)	Lane Outage (48 Hrs)	26-28	Completed
April 18-20	2.0		Lane Outage April 18-19 (30 Hrs.)	Lane Outage (48 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	2.0			Lane Outage (48 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	2.0			Lane Outage (48 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 CANAL BOARD OF DIRECTORS AND ADVISORY BOARD MEET IN PANAMA

Panamanian President Martín Torrijos joined the Panama Canal Authority International Advisory Board meeting and underscored the Advisory Board’s critical role in ensuring the overall governance, transparency and oversight of the Canal, particularly related to the upcoming Canal expansion.

The Advisory Board commended the ACP on the impressive results of the referendum. The Board also applauded the people of Panama for their overwhelming support on the historic referendum and reiterated its support for the project, which will significantly impact both the development of Panama and world maritime trade. The announcement was made by the Advisory Board Chairman, Mr. William A. O’Neil, during the thirteenth Advisory Board meeting.

ACP Board of Directors Chairman and Minister for Canal Affairs, Dr. Ricaurte Vásquez, thanked the Advisory Board for their tremendous support to the Canal and emphasized the importance to Panama that the expansion project was passed through a popular national referendum, a measure that reinforces Panamanian sovereignty and confirms the value of the Canal route. Dr. Vásquez emphasized the significance of the project and the integral role that it will play in Panama’s development.

The Advisory Board meets twice a year with the Board of Directors, once in Panama and once in a city of importance to world trade, to keep the ACP abreast of maritime industry developments and related activities at the international level. During this meeting, the participants analyzed the international interest in the Panama Canal expansion. Administrator/CEO Alberto Alemán Zubieta presented the policies and procedures that will outline the execution of the expansion program, highlighting the mechanisms, comprised in Panama’s Law 28 of 2006, to ensure transparency and accountability throughout the expansion program.

The thirteenth meeting was attended by the following Advisory Board members: William O’Neil, Secretary General Emeritus of the International Maritime Organization (IMO); Salvador Jurado, President of Building Components Group; Dr. Aaron Gellman, Professor of Management and Strategy at the Northwestern University Transportation Center; Philip Embiricos, Director of Embiricos Shipbrokers, member of the BIMCO executive committee and former INTERTANKO director; Joe R. Reeder, partner of Greenberg Traurig LLP (attorneys at law) and former Panama Canal Commission Board Chairman; Admiral William J. Flanagan, US Navy (Ret), previous Commander In Chief, U.S. Atlantic Fleet and NATO’s Commander-In-Chief, Western Atlantic, and President of Skarven Enterprises Inc.; Flemming R. Jacobs, former President & Chief Executive Officer of Neptune Orient Lines Ltd. Group and maritime consultant based in London; and Dr. Ernst Frankel, Emeritus Professor of Ocean Systems and Professor of Management at Massachusetts Institute of Technology.