

February 6, 2007

MR'S ADVISORY TO SHIPPING No. A-02-2007

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – JANUARY 2007

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	277
b. Pilots in Training	0
c. Tugs	24
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	38.06	54	26
Oceangoing Transits	38.71	43	31
Canal Waters Time (hours)	32.13	48.04	18.67
In-Transit Time (hours)	10.66	13.15	8.60

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80´ Beam	405	13.06	33.75
Vessels 80´ Beam and Over	<u>795</u>	<u>25.65</u>	66.25
Total of Oceangoing Transits:	1200	38.71	

Vessels 100´ Beam and Over	539	17.39	44.99
Vessels 900´ Length and Over	154	4.97	12.85

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*	453*	97.42
Regular vessels (beam < 91')	260*	250*	96.15

*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 February 28, 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
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.

High Season Arrives Early at the Panama Canal

The Panama Canal has reported an increase in the number of ships and tonnage transited during the first quarter of Fiscal Year 2007, which includes the months of October through December 2006.

Data from the Department of Maritime Operations shows an increase in several areas, as compared to the first quarter of Fiscal Year 2006:

- The total number of transits, 3,568, represented an increase of approximately 8%;
- The total transited tonnage, 79.9 million PC/UMS tons (Panama Canal Universal Measuring System), was 11.7% higher than the same period last year;
- The total number of *supers*, 1,965, which includes Panamax vessels (the largest that can transit through the waterway), was more than 14% higher than the total number of supers that transited during the previous Fiscal Year.

Of the various vessels transiting the Canal, tankers, container vessels and vehicle carriers have shown the most noticeable increase in the number of transits. In addition, refrigerated cargo vessels have shown an increase of over 7% in transits during December 2006, as compared to December 2005.

These increases in transit numbers have continued throughout the month of January, following a similar trend as was experienced last year, with “high season” arriving earlier than usual. Generally the high season runs from March through April. Last year the Canal began experiencing high arrivals during the month of February, and this year, as early as January. During 12 of the first 22 days of the month, arrivals outnumbered the total number of vessels that could be programmed to transit in any one day. Compounding this situation, passenger vessels’ season, which runs from October through May, is also at its peak. These factors have caused some vessels to experience delays of up to five days waiting time before beginning their transit.

The ACP has taken several measures to respond to this increasing demand, some of which are part of the ongoing Modernization Project, such as increasing the number of locks crews; modifying locks maintenance procedures, avoiding extended periods of lane outages; and a greater utilization of the new Cucaracha Tie-Up Station. In addition, work on the renewal of the locomotive fleet and the track rehabilitation project is ongoing, as well as the acquisition of new launches and new tugboats. Other projects include the construction of an additional Tie-Up Station at Cartagena, the Culebra Cut straightening and deepening project, and the replacement of the turntables on the centerwalls of Gatun Locks.

In addition to the above-mentioned measures, and to continue improving the services provided by the ACP, the Panama Canal Reservation System, which allows vessels to book transits for a particular day, was also modified in response to new demands. During 2006, two additional slots were added, plus a third one offered daily through an auction process. An additional slot was added temporarily in January to satisfy the increasing demand of small vessels.