



January 11, 2008

OP'S ADVISORY TO SHIPPING No. A-02-2008

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Changes to the Panama Canal Transit Reservation (Booking) System

In an effort to attend to the growing demand for booking slots, as well as to simplify the process of obtaining and making changes to reserved booking slots, the Panama Canal Authority (ACP) will implement the following modifications effective February 1, 2008. All reservations secured prior to the implementation date of this advisory will be honored at the rate in effect at the time the reservation was made.

1. Additional booking slots for supers

During **CONDITION 1**, two additional slots will become available for supers (vessels 91' beam or over), during the 1st booking period, increasing the total number of slots for supers to 17. Slot distribution for supers for the various booking periods will be as follows:

Booking Condition	1 st Booking Period*	2 nd Booking Period	3 rd Booking Period	Total
1	7	3	7	17
1.a	7	3	3	13
2	7	3	-	10
3	7	3	-	10

*Includes the 3 slots available for commercial passenger vessels (see paragraph 2) and the slot offered through the sealed bid option (see paragraph 7.)

- a. During **CONDITION 1**, the maximum number of booking slots per direction will be increased to ten for vessels transiting in the southbound direction, and nine for vessels transiting in the northbound direction.
- b. The maximum number of slots allowed for vessels with “full daylight-hour” restrictions per direction and combined total remains unchanged.
- 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 five with “full daylight-hour” restrictions. The maximum number of “full daylight-hour” restricted vessels may not exceed eight.

Note: Due to the increase in the number of slots available during the 1st booking period, the allowable limits by direction and/or restriction may be exceeded when a change to a lower condition is invoked. In those cases, the booking slots already awarded will be honored.

- d. The auctioned slot will continue to be offered in addition to the slots mentioned above, without any special limitation.

2. Special Period for the allocation of slots to commercial passenger vessels

The three slots offered exclusively for passenger vessels during the first 30 days of the 1st booking period from October 1 through May 31 of each year will now be offered prior to the opening of the 1st booking period, during a special period, which begins 547 days and ends 366 days prior to the booking date. These reserved transit slots will be available throughout the year, as follows:

- a. Three of the slots for supers from the 1st booking period will be made available to passenger vessels 91’ beam or over, and three of the slots for regular vessels from the 1st booking period will be made available to passenger vessels under 91’ in beam. In the case of regular vessels, the distribution of booking slots per period will be in accordance with the following table:

Booking Condition	1 st Booking Period*	2 nd Booking Period	3 rd Booking Period	Total
1	3	1	4	8
1.a	3	1	2	6
2	3	1	2	6
3	3	1	0	4

*Includes the 3 slots available for commercial passenger vessels.

- b. 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.
- c. Upon the expiration of this special period, unused slots will be offered in the normal manner in conjunction with the rest of the slots available during 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 booking periods.

3. Additional slots offered to regular vessels up to 300’ LOA

A maximum of three slots will be offered on a daily basis to regular vessels up to 300’ LOA without transit restrictions. These slots are in addition to those already offered to regular vessels and will depend on the number of vessels that fall within this category and that have requested a booking slot.

4. Cancellations

An increase in cancellation categories, as well as a change in cancellation fees, will be implemented in accordance with the following table:

Notice Period (in advance of required arrival time)	Cancellation Fee (the greater of)
Over 365 days	10% of booking fee or \$500
365 to over 180 days	20% of booking fee or \$600
180 to over 90 days	40% of booking fee or \$900
90 to over 30 days	50% of booking fee or \$1100
30 to over 3 days	60% of booking fee or \$1300
72 hours to 36 hours	80% of booking fee or \$1600
Less than 36 hours	100% of booking fee

5. Late arrivals

Vessels booked for transit that fail to arrive before their required arrival time may request 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 actual arrival time, in accordance with the following table:

Vessels with 0200 required arrival	Additional Fee
0201-0300	50% of booking fee
0301-0400	100% of booking fee
0401-0500	150% of booking fee
After 0500	200% of booking fee
Vessels with 1400 required arrival	Additional Fee
1401-1500	50% of booking fee
1501-1600	100% of booking fee
1601-1700	150% of booking fee
After 1700 hours	200% of booking fee

6. Fixed fees for booking slots

Booking fees will be fixed for all periods based on vessel dimensions, in accordance with the following table:

Categories (in feet)	Any Booking Period
LOA <= 300'	\$2,500
Beam < 80', LOA >300'	\$5,500
80' <= Beam < 91' , LOA >300'	\$10,500
91' <= Beam < 100', LOA >300'	\$18,500
Beam >=100', LOA < 900'	\$25,000
Beam >=100', LOA >= 900'	\$35,000

- a. The amount of the booking fee will be based on the vessel's category, regardless of the PC/UMS, container carrying capacity, or containers actually carried on deck. As a consequence, the procedures for swaps, substitutions, cancellations, and forfeitures will be simplified by this structure.
- b. The minimum and premium booking fees are eliminated.
- c. In view of the aforementioned changes, the base auction price will be increased to \$35,000 for supers and to \$15,000 for regulars.

7. Sealed bid option

- a. Under this option, one slot for supers will be offered prior to the opening of the 1st booking period, in the following manner:
 - One booking slot per day for supers will be offered for each date between 368 and 410 days prior to transit (a moving 42-day window).
 - This booking slot will be offered without regard to limits by direction and/or restriction.
 - Customers interested in these slots shall submit an electronic sealed bid in the amount of \$40,000 or higher for each slot being requested.
 - These slots will require a guarantee from a bank that fulfills all ACP requirements with actual payment to be made within two working days once the slot has been awarded.

- If only one bid is received for any given date, the slot will be awarded at \$40,000, regardless of the amount of the bid.
 - If there is more than one bid, the slot will be awarded to the highest bid, regardless of customer ranking.
- b. Sealed bids will be handled electronically within the existing auction system. Unused slots under this option will be offered in the normal manner in conjunction with the rest of the slots available during the 1st booking period.
- c. Under this option, cancellations will be refunded at a percentage of the amount paid without interest, based on the advanced notice provided, as reflected in the cancellation fee table for normal booking slots. Should the ACP fail to comply with its commitments, the full amount of the bid, without interest, will be refunded in accordance with Articles 17 and 24 of the Maritime Regulations for the Operation of the Panama Canal. Refunds will be made within three working days.
- d. Swaps and substitutions will be handled in accordance with regulations, as with other bookings.

ORIGINAL SIGNED

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