

August 9, 2010

OP'S ADVISORY TO SHIPPING No. A-14-2010

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – JULY 2010

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	285
b. Pilots in Training	0
c. Tugs	30
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	33.07	43	25
Oceangoing Transits	33.29	39	25
Canal Waters Time (hours)	21.63	29.22	16.78
In-Transit Time (hours)	9.41	11.61	7.14

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 91' Beam	389	12.55	37.69%
Vessels 91' Beam and Over	643	20.74	62.31%
Total of Oceangoing Transits:	1032	33.29	
Vessels 100' Beam and Over	535	17.25	51.84%
Vessels 900' Length and Over	109	3.52	10.56%

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Large Vessels (beam 91' and over)	527*	216* ¹	40.99%
Regular Vessels (beam < 91')	248*	88* ¹	35.48%

*Does not include additional auctioned booking slots

¹ Includes booked transits only

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 August 31, 2010.

ORIGINAL SIGNED

Manuel E. Benítez
Executive Vice-President of Operations

ONE YEAR SCHEDULE OF LOCKS MAINTENANCE WORK						
Dates	Days	Miraflores	Pedro Miguel	Gatun	Estimated Transit Capacity¹	Status
Oct. 18-28, 2010	10			West Sidewall Culvert	29-33	Tentative
June 14-24, 2011	10			Centerwall Culvert	29-33	Tentative

Starting September 6, 2010, and for approximately six weeks, a portion of the Gaillard Cut will be closed for shipping between 2200 hours and 0600 hours Monday to Friday, due to dredging operations in Cucaracha and Paraiso reaches. As a result, the estimated transit capacity will be 30-32 vessels, depending on vessel mix and transit restrictions.

¹The normal transit capacity of the Panama Canal is 38-40 vessels each day, depending on vessel mix and other factors. This capacity is reduced during locks maintenance work, 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.

PANAMA CANAL AUTHORITY SIGNS FIRST-EVER PARTNERSHIP AGREEMENT WITH THE MISSISSIPPI STATE PORT AUTHORITY AT GULFPORT

STRATEGIC ALLIANCE AIMS TO INCREASE ECONOMIC GROWTH, SPUR INTERNATIONAL TRADE AND PROMOTE THE “ALL-WATER ROUTE”

Panama Canal Authority (ACP) Administrator/CEO Alberto Alemán Zubieta and Mississippi State Port Authority at Gulfport (MSPA) Executive Director/CEO Donald R. Allee launched a strategic partnership in Panama by signing a Memorandum of Understanding (MOU) to increase economic growth, spur international trade and promote the “All-Water Route” (the route from Asia to the U.S. East and Gulf Coasts via the Panama Canal).

During an official ceremony, both parties, joined by Mississippi Governor Haley Barbour, affirmed their commitment to mutual growth and cooperation. Renewable after five years, the first-ever ACP-MSPA agreement will allow for joint marketing ventures, information sharing and technological exchange.

“Today’s MOU signing represents a great opportunity for Panama and Mississippi to build upon our existing offerings and trade relationship through a mutually beneficial alliance,” said Mr. Alemán Zubieta. “One of the primary tenets of the ACP is to continually look for creative approaches to boost trade flows and provide safe, reliable and efficient service to the international maritime community. This agreement is one way that we can help achieve this goal.”

The MSPA is an Enterprise Agency of the State of Mississippi and is responsible for the daily operations of the Port of Gulfport. MSPA’s mission is to be a profitable, self-sufficient port providing world class maritime terminal service to present and future customers and to facilitate the economic growth of Mississippi through the promotion of international trade.

Both the ACP and the Port are dedicated to further increasing capacity and fostering business development. In 2009, Panama was Mississippi’s third largest trading partner, in terms of exports, after Canada and Mexico.

“For four decades, the Mississippi State Port Authority has focused on growth prospects in the Western Hemisphere, but the expanded Panama Canal will afford the Port of Gulfport new opportunities to be more competitive in shipping between North America and both Asia and the West Coast of South America,” said Mr. Allee. “This agreement between the MSPA and the ACP will provide a framework for our two entities to work together to pursue new business opportunities that will result from an expanded Panama Canal.”

The Panama Canal is currently undergoing its historic \$5.25 billion expansion project which will double the waterway’s capacity and build a new lane of traffic through the construction of a new set of locks. Scheduled for completion in 2014, the project will allow more ships and the passage of longer and wider vessels through the Canal.

Receiving \$570 million in federal Community Development Block grants for restoration projects, the MSPA continues to refurbish the port of damages sustained from Hurricane Katrina. Development plans include elevating the port’s west pier to 25 feet above sea level, returning to pre-Katrina storage capacities and preparing for increased operations once the Panama Canal expansion project is completed.

“Maritime commerce is vital to Mississippi’s economy, and the expansion of the Panama Canal provides the state with considerable opportunities for increased trade and worldwide shipping,” said Governor Barbour. “Through the partnership with the Panama Canal Authority, the Port of Gulfport will be able to offer even more businesses quick, affordable access to nearly three-quarters of American consumers. Our nation’s ports are overcapacity, and the current restoration of the Port of Gulfport will accommodate increased container traffic that will be entering the U.S. as a result of the Panama Canal expansion.”