



## OP NOTICE TO SHIPPING No. N-7-2014

# Panama Canal Transit Reservation System



CANAL DE PANAMÁ





January 1, 2014

## **OP NOTICE TO SHIPPING No. N-7-2014**

---

To: Shipping Agents, Owners and Operators

Subject: Panama Canal Transit Reservation System

### **1. Effective Date and Cancellation**

This Notice cancels OP Notice to Shipping No. N-7-2013 (Rev. 1) and will be effective on the date of issue. A revised Notice will be issued in January of each year or when otherwise required.

This revision includes the following changes:

(1) The definition for Required Arrival Time/*Just-In-Time* (JIT) Transits was added on page 2.

(2) The actual arrival time for vessels under the JIT transit service is explained on page 2.

(3) Sealed bid allocation periods were eliminated and the sealed bid column was deleted from the chart, on page 3.

(4) The sealed bid option allocation was eliminated and the JIT transit slot allocation was added, on page 4.

(5) Paragraphs 10 (c) and 11 (c) and (d) were added to explain the number of JIT

transit slots for supers and for regulars transiting without restriction, on pages 7 and 8, respectively.

(6) Paragraphs 10 (d) and 11 (e) were modified to incorporate information regarding cancellation fees for supers and regulars, on pages 7 and 8, respectively.

(7) Substitutions and swaps involving vessels approved for the JIT transit service are explained on pages 11 and 12, respectively.

(8) Charges for daylight transit were modified on page 13.

(9) The no cost of the JIT transit service is explained on page 14.

(10) Penalties were modified on pages 15 and 16.

(11) Fees applicable to booking cancellations for vessels that have been awarded JIT transit service is explained on page 17.

## **2. Purpose and Scope**

a. This Notice incorporates the Panama Canal Transit Reservation System in accordance with the third section of the Regulation on Navigation in Panama Canal Waters (*ACP Navigation Regulations*) and with additional provisions included in the related manual of procedures.

b. The rules presented in this Notice constitute, section by section, the regulations related to the matter in the ACP Navigation Regulations and are followed by policies, procedures and practices of the Canal Authority. In the event of any conflict in the rules printed in this Notice and the provisions published in the *ACP Navigation Regulations, Articles 12 to 25* (Spanish version), the latter shall govern.

## **2. Implementation of the Customer Services Management System (CSMS)**

The Panama Canal, in an effort to improve its services to all customers, officially implemented the following processes in the Customer Services Management System (CSMS):

- Transit Cost estimates – *Proforma*
- Service Complaints
- Customer Code
- Information Requests
- Panama Canal Ship Oil Pollution Emergency Plan (PCSOPEP)

To request access to the system, the form published in the following web link: <http://www.pancanal.com/eng/op/csms/index.html> must be completed and forwarded to:

[op-information@pancanal.com](mailto:op-information@pancanal.com). To request training or additional information regarding the system, an email shall be forwarded to the same address. PCSOPEP plan writers shall send their request for access to [pcsopep@pancanal.com](mailto:pcsopep@pancanal.com).

All communication regarding the processes listed above shall be done through the CSMS. Vessels that have not previously visited the Panama Canal are required to submit the PCSOPEP plan, through e-mail, to the e-mail: [pcsopep@pancanal.com](mailto:pcsopep@pancanal.com).

Technical assistance for the CSMS is available at (507) 272-2222 or [support@pancanal.com](mailto:support@pancanal.com)

### **3. Booking through the Electronic Data Collection System**

The Electronic Data Collection System (EDCS) is an efficient electronic information exchange between the ACP information system and the customers' systems, which enables the collection, administration, and validation of data. The EDCS is designed to function as the ACP Information System front-end. It provides for the electronic reception of all preliminary information required for security and operational purposes.

Booking Requests, Requests for Daylight Transits, Requests for Same-day transits (lost reservation due to late arrival), and Cancellations are received through the EDCS Web Portal. The customer and registered agents have access to this portal at any time. The ACP provides each customer and registered agent with a user name and password to log onto the EDCS portal.

The ACP Help Desk provides 24-hour service to address difficulties pertaining to EDCS. The process of generating a CC and User Name/password takes a minimum of four working days each.

Following are points of contact for EDCS support:

- International Call Center .....Tel. + 65 6887-7288
- Local Call Center .....Tel. (507) 272-2222
- Customer Support.....EDCS\_support@pancanal.com
- Registration and Accreditation.....EDCS\_registration@pancanal.com
- Customer Relations .....Customerrelations@pancanal.com
- General Information.....EDCS\_info@pancanal.com

### **4. Additional Option to the ACP EDCS**

The ACP Electronic Data Collection System (EDCS) has been modified to allow its customers to submit pre-arrival information using the BayPlan/Stowage Plan and Empty Location message (BAPLIE), in addition to the cargo declaration through EDCS-CIG and

EDCS-WEB. BAPLIE submissions are only accepted from the vessel's visit principal operator (transit to the account of), and will not accept submissions from vessel's cargo Alliance Members.

Accredited customers interested in using this method for submitting pre-arrival information are encouraged to initiate the accreditation and validation process with ACP by forwarding requests to [EDCS-CIG@pancanal.com](mailto:EDCS-CIG@pancanal.com).

The following additional modifications are in effect:

- The SERVICE NAME and SERVICE CODE fields are available in the SHIP DUE for Full Container Vessels.
- A new field called VOYAGE NUMBER has been included into the ETA/SHIP DUE as optional.
- The SWAP, SUBSTITUTION and CHANGE IN TRANSIT DATE options for booked vessels.

Note: These options are only available to vessels that have been booked through EDCS.

- The harmonized code and harmonized descriptions tables have been included in order to declare non-dangerous last cargo information.
- Submission of dangerous cargo information for visits of small crafts, when required.

## 5. Transit Booking Information on the Internet

A section on the Panama Canal internet page is available at <http://www.pancanal.com/eng/maritime/transit/index.html> with the following information on the current status of the Transit Booking System:

- Booking Slots Available
- Competition
- Customer Ranking

The Customer Ranking Report is updated and posted at the beginning of each month, while the Competition is updated every time a competition occurs.

The Booking Slots Available site has been designed to provide information on reserved slots and slot availability within the next 12 months, for small and large vessels. The Booking Slots Report, which is updated every two hours, and the Slot Availability Notifications are also available at this site. This slot availability latest notification requires user name and password. It is updated whenever a booking slot becomes available during the 1<sup>st</sup> and 2<sup>nd</sup> period due to cancellations or changes in the booking date, and there are no rejected booking requests that occur prior to the slot becoming available. The user name and password for this site can be requested at [EDCS\\_registration@pancanal.com](mailto:EDCS_registration@pancanal.com). Please note that this is only available for ACP authorized local shipping agents and customers.

## 6. Access to the ACP Vessel Information System

In compliance with ACP and international security requirements, access to the Vessel Information system is regulated.

All requests to transit the Panama Canal or anchor in Canal waters carry implicit authorization for the ACP to disclose information regarding the vessel and its estimated time of arrival (ETA) to those entities duly registered with the ACP to provide services to said vessels.

The Vessel Information system is only available, with the limitations and restrictions established in the contract, and based on the nature of the activity performed, to the following:

- Shipping agencies registered with the ACP;
- Port terminals located within or adjacent to Panama Canal waters;
- Government entities with maritime or protection responsibilities;
- Banks recognized and approved by the ACP as guarantors for tolls and marine services.

Access to vessel's arrival information, with the limitations and restrictions established by the ACP, will be available to:

- Established entities providing services to vessels in Panama Canal waters;
- Established entities domiciled in the Republic of Panama providing legal services within the realm of maritime transportation and commerce.

Authorization to access the EVTMS requires signing a contract with the ACP wherein the terms and conditions required of the subscriber are defined. This contract includes the established tariff, as well as confidentiality restrictions regarding the use of information obtained through this system. Non-compliance with the terms and conditions of this contract, including non-payment of the tariff in a timely manner, may result in the suspension of access to this service.

Information regarding the documentation required to obtain access to the vessel information system is stated in the attachment. Requests for access may be submitted electronically to [optc@pancanal.com](mailto:optc@pancanal.com) or delivered to:

Manager, Maritime Traffic and Admeasurement Section  
Panama Canal Authority  
Building 910, La Boca  
Republic of Panama

## 7. Customer Code Issuance and Consolidation Procedures

ACP requires that a Customer Code be provided to every vessel's visit to transit the Panama Canal, with the exception of yachts or government vessels. The Customer Code provided by the vessel's agent for a vessel's visit must be the Customer Code that belongs to the company responsible for each transit within that visit, and providing a Customer Code belonging to an entity that does not represent, own, operate, or charter the transiting vessel is prohibited. Therefore, the customer code provided must belong to:

- The owner of the vessel transiting the Canal, or
- The operator of the vessel transiting the Canal, or
- The company that charters a vessel transiting the Canal.

ACP provides several systems and reports, which are readily available to verify Customer Codes that were reported for each vessel's visit, such as: EDCS (ETA and SHIP DUE Module), and EVTMS (Daily Information Report, Arrivals Report, Vessel's Visit Itineraries Screen, and the Vessel Schedule Report). In addition, the Agent/Customer Summary report, available through EVTMS, provides a summary of all transiting vessels represented by local shipping agents that are logged in. This report contains information for the last 60 days.

An important factor in the competition toward obtaining reserved transit slots is the utilization of the Customer Code, which can affect customer ranking. Customer Code procedures require proof of ownership, contractual chartering or majority stock ownership of a shipping company and these prerequisites are available at: <http://www.pancanal.com/eng/maritime/customer-code-procedure.pdf>.

Customer Codes that were not used in a five-year period were deactivated by the ACP Customer Relations Unit during 2007. Customers, who may wish to reinstate a code that has been deactivated, are required to send a written request in this regard to the Customer Relations Unit.

For your ready reference, the last revision of the Customer Code Issuance and Consolidation Procedure, which was promulgated for your strict compliance, may be accessed through the following link: <http://www.pancanal.com/eng/maritime/customer-code-procedure.pdf>

### **ORIGINAL SIGNED**

Esteban G. Sáenz  
Executive Vice President for Operations

## **RULES AND PROVISIONS CONCERNING THE PANAMA CANAL TRANSIT RESERVATION SYSTEM**

---

### ***ACP NAVIGATION REGULATIONS, ARTICLE 13***

#### **Applicability and scope**

Subject to the limitations imposed by Articles II and VI of the 1977 Treaty concerning the Permanent Neutrality and Operation of the Panama Canal, between the United States and the Republic of Panama, and subject to compliance with the provisions of this part, the Panama Canal Transit Reservation System allows vessels, including commercial passenger vessels, desiring to transit the Canal, to reserve transit slots in advance of arrival to Canal waters and be moved through the Canal on pre-assigned dates.

### ***ACP NAVIGATION REGULATIONS, ARTICLE 8***

#### **Definitions**

(a) *Booked for transit* means assignment in advance of a specific date for transit of a vessel through the Canal.

(b) *Commercial passenger vessel* means a vessel that principally transports passengers and runs on fixed published schedules.

(c) *Regular transit* means movement through the Canal of a vessel that has not been booked for transit, on the date and time determined by the ACP.

(d) *Required arrival time* means the date and time established by ACP as the deadline by which a vessel booked for transit must arrive in order to transit.

(e) *Just-in-Time (JIT) Transit* is a service which allows a booked vessel to arrive at a pre-established time requested by the customer and confirmed by the Authority.

(f) *Vessel agent* means a person or entity that has been authorized by a vessel owner or operator, in the manner prescribed by ACP, with faculties to represent the vessel.

### ***FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLE 8***

1. *Vessel Classification.* For purposes of these rules, vessels are classified as

*supers* when they are 91 feet (27.74 meters) in beam or over, and *regulars* when they are under 91 feet (27.74 meters) in beam.

2. *Required Arrival Times/Restricted Transits.* Required arrival time for *supers* and *regular* vessels transiting under restrictions that are booked for transit, means the vessel must arrive at a Canal terminal by 0200 hours the day of transit. Commercial passenger vessels and vessels that have been approved for the *Just-In-Time* transit service are exempt from this requirement, provided that they arrive with enough time to maintain their schedule. Submarines and other *high-value* transits may be instructed by the ACP to arrive past the required arrival due to operational and/or security reasons.

3. *Required Arrival Times/Unrestricted Transits.* Required arrival time for *regular* vessels not transiting under restrictions that are booked for transit, means the vessel must arrive at a Canal terminal by 1400 hours the day of transit. Commercial passenger vessels and vessels that have been approved for the *Just-In-Time* transit service are exempt from this requirement, provided that they arrive with enough time to maintain their schedule. Submarines and other *high-value* transits may be instructed by the ACP to arrive past the required arrival due to operational and/or security reasons.

4. *Required Arrival Time/Just-In-Time Transits.* Vessels that have been awarded the JIT transit service must arrive at a Canal terminal by the time confirmed by the Authority.

5. *Arrival Time.* For purposes of these rules, a vessel booked for transit will be deemed to have arrived at a Canal terminal when a ACP signal station establishes radio contact with the vessel and:

(a) The vessel is visually sighted by the signal station; or

(b) The vessel is identified on ACP radar by location, speed and course at a distance of not more than 8 nautical miles (13.6 kilometers).

In case a southbound vessel is departing a port in Manzanillo Bay, the vessel establishes radio contact with the ACP Cristobal Signal Station and reports its position as it passes the East Breakwater entrance on a southbound course. The ACP Port Entry Coordinator confirms the vessel's position through visual sighting or by radar. A vessel in this situation must arrive at the Canal breakwater entrance in sufficient time for its scheduled pilot pick-up. If the vessel fails to do this, the reserved transit slot will be canceled.

For vessels that have been awarded the JIT transit service, the actual arrival time is the time the vessel passes by the Sea Buoy at either entrance of the Canal.

## **ACP NAVIGATION REGULATIONS, ARTICLES 15 AND 16**

### **Booking periods; allocation of reserved slots**

(a) Only vessel agents may request reserved transits during the following booking periods:

#### Special Periods

*Commercial Passenger Vessels* - 547 to 366 days prior to the requested transit date.

#### Normal Periods

- (1) *First Period* - 365 to 22 days prior to the requested transit date.
- (2) *Second Period* - 21 to 4 days prior to the requested transit date.
- (3) *Third Period* - 3 to 2 days prior to the requested transit date.

**Note:** The third period closes at 1530 hours during weekdays and 1500 hours during weekends and holidays.

(b) A total of 25 reserved transit slots will be made available throughout the booking periods, allocation of which is to be determined by the ACP. From time to time, the ACP may adjust the total number of available reserved transit slots, commensurate with the safe and efficient operation of the Canal.

### **FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLES 15 AND 16**

1. *Transit Slot Allocations.* The 25 authorized reserved transit slots available per day will be allocated among booking periods and size of vessels as set forth in the following table:

<b>VESSEL</b>	<b>Passenger Vessels</b>	<b>1st Booking Period</b>	<b>2nd Booking Period</b>	<b>3rd Booking Period</b>
<i>Supers: 91ft. (27.74m) in beam and over</i>	3	4	3	7
<i>Regulars: under 91ft. (27.74m) in beam</i>	3		1	4
<b>Total of 25</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>11</b>

2. *Passenger Vessel Allocations.* From 547 to 366 days prior to the requested transit date, three slots for supers and three slots for regulars from the 1<sup>st</sup> booking period will be available exclusively for passenger commercial vessels. 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. 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 1<sup>st</sup> 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. *Just-In-Time Transit Slot Allocation.* A maximum of four (4) just-in-time booking slots may be offered per day to supers, and of these, no more than two (2) slots may be allocated to vessels transiting in the same direction. Similarly, a maximum of two (2) just-in-time booking slots may be offered per day to regulars transiting without restrictions, one per direction. At the opening of a booking period, requests for JIT slots will be assigned to vessels that are awarded the booking slots during the tie-breaker competition for that period. After the tie-breaker competition, all of the remaining JIT slots will be awarded based on the order in which the requests are received. JIT slots that become available due to cancellations will be offered first to those vessels whose request for JIT transit were rejected during tie-breaker competition, in order of rejection. If there are no rejections, or if none of the vessels that had previously requested the JIT service are interested, the JIT slots will become available to any interested booked vessel. If a booking cancellation of a vessel with a confirmed JIT transit service occurs prior to 1100 hours of the closing day of the third period, the JIT slot that becomes available may be awarded, in the order in which the requests for the JIT service are received. JIT slots that become available due to cancellations after 1100 hours will not be reassigned.

**Note:** The Authority may reduce the amount of JIT slots offered daily or suspend the service entirely, in order to ensure the safety and efficiency of the operation. Nevertheless, vessels that have already been confirmed a JIT slot will be honored.

4. *Allocation of slots to Regular Vessels up to 300 feet in length:* A maximum of three slots will be offered on a daily basis during the third period 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. These slots will be limited to two per direction during conditions 1 and 1a. During condition 2, the maximum number of additional slots to be allocated will be limited to two slots, regardless of transit direction.

5. *Allocation of Slots through the Auction Process:* An additional slot is available through an auction process during the 3<sup>rd</sup> period only, in any booking condition that may be present at the time. This slot will only be available once all the normal booking slots available for either *supers* or *regulars*, independent of each other, have been allocated.

In addition to the above-mentioned requirements, the auctioned slot will be subject to the following terms and conditions:

(a) A Customer Code and the amount of the bid will be the only information required to place a bid.

(b) A different user name is required for each Customer Code in each published auction. The system will validate the use name and the Customer Code used to place the initial bid and will create a key with this information. After the first bid is entered, the system will automatically propagate this Customer Code for every subsequent bid in the bidding screen window.

(c) The auction process will begin not earlier than 1400 hours on the opening day of the 3<sup>rd</sup> period for the slot to be auctioned, or not later than 1100 hours on the closing day of the 3<sup>rd</sup> period (two days before transit date of the auctioned slot), and will end not earlier than 1300 hours on the closing day of the 3<sup>rd</sup> period (two days before transit date of auctioned slot).

(d) The auction closing time will automatically be extended by two minutes should a bid be received within the last two minutes of the initial closing time. These automatic extensions will continue until no bid is received during the last two minutes of the current closing time.

(e) The initial or base price for the auctioned slot is thirty five thousand dollars (\$35,000) for supers and fifteen thousand dollars (\$15,000) for regulars.

(f) If the auction is initiated due to all booking slots for regulars having been allocated while slots are still available for supers, the initial or base price will be fifteen thousand dollars (\$15,000). However, if all the booking slots for supers are allocated while the auction is in progress for regulars, the base will be thirty five thousand dollars (\$35,000), provided that all the slots for supers are allocated prior to 1100 hours on the closing day of the auction.

(g) The auctioned slot will be awarded to the customer who submits the highest bid during the auction period. Vessels awarded the auctioned slot have the same options as other booking slots, such as requesting same-day transit, swaps, and substitutions, except change-in-transit-date.

(h) If a cancellation of an already awarded auctioned slot occurs before the closing of the 3<sup>rd</sup> period, the slot will be offered to the next highest bidder.

(i) If a cancellation occurs during or after the auction process, and the vessel which is to be awarded the cancelled slot is the same as the vessel which made the highest bid, the cancelled slot will be awarded to the vessel at the normal booking rate, and the auctioned slot will be offered to the next highest bidder.

(j) Vessels awarded an auctioned booking slot which have already secured a normal booking slot during 3<sup>rd</sup> period competition for the date following the auctioned

booking slot date, will be given the option to retain either one of those booking slots. Should the vessel elect to retain its normal booking slot, the auctioned booking slot will be offered to the next highest bidder. If, on the other hand the vessel elects to retain the auctioned booking slot, then its normal booking slot will be voided at no additional charge.

(k) Fully integrated tug and barge unit (ITB) participating in the auction process will have its bid assigned to the piece of the unit with the higher booking fee. If an ITB is awarded the auctioned booking slot, then the larger of the two pieces will pay the winning bid, while the smaller piece will be required to pay its normal applicable booking fee.

(l) Information provided by users during the auction process will remain strictly confidential. Once the bid is closed, the complete information with all the placed bids will be published and displayed in the bidding history, which will indicate the last bids placed by a proxy.

(m) The ACP Auction System is available at <http://www.pancanal.com/eng/op/index.html>.

6. *Unused Slots.* Upon expiration of a booking period, if a reserved transit slot allocated to that booking period was not used, for whatever reason, the unused reserved slot will be assigned to vessels seeking reserved transits in the booking period(s) that follow(s).

7. *Transit Condition Changes.* When, due to operational factors, sustained Canal capacity is expected to be reduced, a corresponding reduction in the number of available reserved transit slots may be ordered by the Canal Authority, as set forth in the following table:

<b>CONDITION</b>	<b>CAPACITY</b>	<b>SUPERS</b>	<b>REGULARS</b>	<b>TOTAL</b>
1. Normal operations	35 or over	17	8	25
1.a. Reduction in capacity without lane outages (for example: culvert outages or lockages with restrictions)	29 to 34	13	6	19
2. Significant reduction in capacity (for example, lane outages)	Less than 29	10	6	16
3. Backlog of 90 or more vessels awaiting transit at both Canal terminals for at least 2 days	N/A	10	4	14
4. Severe reduction in Canal capacity (slides, vessel accidents or other unforeseen circumstances)	N/A	0	0	0

8. *Condition 3.* The ACP *may* invoke *Condition 3* whenever the total number of vessels awaiting transit at both Canal terminals is projected by Canal Authorities to be, within two days, 90 or more vessels for at least two consecutive days.

9. *Notice of Changes.* Whenever transit conditions are to be upgraded to a less restrictive condition, Canal authorities will, when feasible, give vessel agents a two-day advance notice.

10. *Same Direction Transits/Supers.*

(a) During normal conditions, no more than ten *supers* may be booked for transit in the southbound direction and, of these, no more than seven with “full daylight-hour” restrictions. Similarly, no more than nine *supers* may be booked for transit in the northbound direction and, of these, no more than six with “full daylight-hour” restrictions. The combined number of “full daylight-hour” restricted vessels shall not exceed ten vessels.

**Note:** During periods of reduced capacity without lane outages the limits by direction or restriction, as well as the number of JIT transit slots, shall be determined by the Authority, commensurate with the safe and efficient operation of the Canal.

(b) During Condition 1.a., no more than eight *supers* may be booked for transit in the southbound direction, and of these, no more than six with “full daylight-hour” restrictions. Similarly, no more than seven *supers* may be booked for transit in the northbound direction and of these, no more than five with “full daylight-hour” restrictions. The combined number of full daylight-hour restricted vessels shall not exceed eight vessels.

(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 number of “full daylight-hour” restricted vessels shall not exceed eight, and the number of JIT transit slots may not exceed one per direction.

(d) Before the closing of the 3<sup>rd</sup> booking period, if there are still booking slots available for *supers*, they may be offered first to those *supers* that failed to secure a booking slot during the 3<sup>rd</sup> period competition, in order of rejection, followed by any subsequent rejections, even if the assignment of these slots exceeds the established limits by direction or restrictions. If the rejected vessel that was awarded the slot had previously been awarded a slot for an alternate date, then the cancellation fee for the change in date will not be applied. If there are no rejections, or no *supers* interested in the remaining slots, they may be offered to *regulars* that were rejected during or after the 3<sup>rd</sup> period competition, in order of rejection.

(e) Exceptions to the limits may only be made with the express authorization from the Executive Vice President for Operations, or his designee, and only in such cases where the operational efficiency is not compromised.

### 11. *Same Direction Transits/Regular Vessels.*

(a) During normal conditions, no more than five regular vessels may be booked for transit in the same direction. Of the total number of slots available, no more than two shall be allocated to regular vessels transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut.

**Note:** During periods of reduced capacity without lane outages, the limits by direction or restriction, as well as the number of JIT transit slots, shall be determined by the Authority, commensurate with the safe and efficient operation of the Canal.

(b) During Condition 1.a., no more than four regular vessels may be booked for transit in the same direction. Of the six slots available, no more than two may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours or daylight hours in the Cut.

(c) During Condition 2, no more than four regular vessels may be booked for transit in the same direction. Of the six slots available, no more than one may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut. The number of JIT slots offered to regular vessels transiting without restrictions will remain at one per direction.

(d) During Condition 3, no more than two regular vessels will be booked for transit in the same direction. Of the four slots available, no more than one may be allocated to a regular vessel transiting under restrictions, i.e., clear-Cut, daylight hours, or daylight hours in the Cut. The number of JIT slots offered to regular vessels transiting without restrictions will remain at one per direction.

(e) Before the closing of the 3<sup>rd</sup> booking period, if there are still booking slots available for regulars, they may be offered first to those regulars that failed to secure a booking slot during the 3<sup>rd</sup> period competition, in order of rejection, followed by any subsequent rejections, even if the assignment of these slots exceeds the established limits by direction. If the rejected vessel that was awarded the slot had previously been awarded a slot for an alternate date, then the cancellation fee for the change in date will not be applied. If there are no rejections, the available slots may be offered to any interested regular vessel.

(f) Exceptions to the limits may only be made with the express authorization from the Executive Vice President for Operations, or his designee, and only in those cases whereby the operational efficiency is not compromised.

12. *No Re-Assignments.* Once a vessel is assigned a reserved transit slot, that slot will not be re-assigned to any other vessel unless the vessel's agent subsequently cancels the reserved transit or, as permitted herein, the vessel is substituted or swaps its reserved transit slot with another vessel booked for transit.

---

## **ACP NAVIGATION REGULATIONS, ARTICLES 14 AND 20**

### **Booked transits**

1. The specific daily order of vessels, as well as the mix of vessel types transiting the Canal, whether booked or not, shall be determined by the ACP. Except as provided herein, a booked vessel may not transit prior to its reserved transit date, unless the ACP determines that assigning the vessel an earlier transit slot will serve to guarantee operational efficiency.

2. Notwithstanding assignment of an earlier reserved transit slot by the ACP, all booked vessels will be charged the prescribed booking fee.

3. Swapping and substitution of reserved transit slots between or among booked vessels will be permitted only on conditions specified by the ACP.

### **FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLES 14 AND 20**

1. *Dead Tows.* Dead tows, small craft transiting as *handlines*, and vessels that do not meet all transit and safety requirements cannot be booked for transit.

2. *Payment Authorization.* To participate in the Transit Reservation System, the vessel agent must furnish the ACP a letter containing the names and sample signatures of persons designated to authorize payment of the vessel's transit costs (including booking fees).

3. *Booking Form.* To request a reserved transit slot, the vessel agent must complete a Request for Transit Booking form, which may be accessed through the EDCS or downloaded from the following site: <http://www.pancanal.com/eng/maritime/forms/4623.xls> . The completed form may also be faxed to (507) 272-5137, or personally delivered to Maritime Traffic Control Unit, Building 910, La Boca, 24 hours a day.

4. *Processing Requests.* Requests for reservations for the beginning of any period will be received daily beginning at 0900 hours, but processing will not begin until 0930 hours. Requests received between 0900 and 0930 hours will be treated as having been received at the same time. Thereafter, requests will be processed in the order they are received. After 0930 hours, the order of preference for requests logged simultaneously is EDCS requests, followed by faxed requests to 272-5137, 272-5892 and 272-5736 (in this order) and, finally, personally delivered requests.

5. *Tie-Breaker Criteria.* If, at the time processing begins, transit reservation requests exceed the number of available reserved transit slots for any given period, assignment of available slots to vessels competing for reserved transits will be made in the following order of preference:

(a) Customers with the highest ranking of Panama Canal business. This ranking will be determined as a result of the weighted average of the ranking of total transits (40%) and the ranking of tolls paid (60%) during the preceding 12-month period, which ends the last day of the month preceding the month of the transit request. This customer ranking will be calculated and published each month by the ACP Marketing Analysis and Research Office Division. Shipping agencies must ensure that the Customer Codes are included in all ETA messages, as discrepancies with the Customer Code reported in the Booking Request will invalidate the request. The Customer Code reported in the SIQD (prepared by the master) will not be used for this purpose;

**Note:** It is important that the Customer Code provided for each vessel's visit be correct. After completion of a vessel's visit, agents and customers are granted a 30-day grace period in order to request corrections to the Customer Code provided in the vessel's visit, so that the correct code is credited for the transit.

Non-compliance with the Customer Code procedure by providing incorrect, false, or deficient information to the ACP constitutes a violation of the Maritime Regulations for the Operation of the Panama Canal, and may result in fines ranging from \$100 to \$1,000,000. The application of sanctions does not preclude the ACP from cancelling previously approved consolidation of customer codes, and may also result in the loss of the amount of transits that have been credited to the offending customer.

In order to ensure transparency in the use of the Customer Codes, the ACP submits an electronically generated notification to customers whenever an ETA or Ship Due transaction has been created or a customer code of an existing ETA or Ship Due is modified in the EDCS. A response is only required if the customer code is being used without authorization. Canal customers shall maintain their official electronic mail addresses up to date by contacting the Customer Relations Unit at: [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com).

(b) Vessels in the order of frequency they transited booked during the preceding 12-month period, which ends the last day of the month preceding the month of the transit request;

(c) Vessels in the order of frequency they transited, whether booked or not, during the preceding 12-month period, which ends the last day of the month preceding the month of the transit request;

(d) Vessels in the order of their most recent transit, whether booked or not;

(e) Vessels with at least 50 percent of its cargo being perishable goods or carrying a minimum of 700 tons of non-frozen perishable goods; and

(f) Vessels which, on at least the two previous consecutive days, requested, but failed to obtain reserved transit slots because they did not win under the preceding tie-breaker criteria.

6. *Incomplete Booking Request Forms.* Transit booking request forms that are incomplete (including not furnishing the vessel's ETA), not signed by the vessel's agent, faxed to the wrong number, or personally delivered to someone other than the designated MTC reservation assistant, cannot be processed. Failure of the vessel agent to provide complete and accurate information required by the ACP when requesting transit bookings may result in rejection of the booking request or cancellation of the vessel's reserved transit slot.

7. *Acknowledgments.* Vessel agents will be furnished acknowledgments of receipt of transit booking requests as soon as possible following receipt.

8. *Notifications.* Notification of approval or disapproval of a transit booking request will be furnished to the vessel agent at the conclusion of daily processing.

9. *Substitutions.* A vessel already booked may only be substituted by another non-booked vessel, subject to the following conditions:

- (a) Both vessels are registered with the same operator (same Customer Code);
- (b) Both vessels are transiting in the same direction;
- (c) The new vessel must be within the same vessel classification (super or regular) and be subject to the same or lesser transit restrictions as the original one; and
- (d) The written request for substitution shall be received by the ACP Maritime Traffic Control 24 hours or more prior to the required arrival time of the booked vessel.

If the substitution is requested at least 30 days in advance of the booked vessel's required arrival date, there will be no cancellation charge. If the substitution is requested less than 30 days in advance of the booked vessel's required arrival date, a cancellation fee will be assessed.

The booking fee applied to the substituting vessel will be the higher of the two booking fees applicable to the vessels involved in the substitution, in accordance with the current booking rates.

If the requested substitution involves a booked vessel approved for the JIT transit service, the new vessel will retain the JIT transit and arrival requirement of the original vessel, if solicited at the time the substitution is requested. Otherwise, the JIT transit slot will become available and will be offered to any interested booked vessel, as prescribed in this Notice.

10. *Swapping.* Swapping of reserved transit slots between two booked vessels is allowed, subject to the following conditions:

- (a) Both vessels must be booked for transit within 21 days of each other;
- (b) Both vessels must be transiting in the same direction;

(c) Both vessels must be within the same vessel classification (super or regular) and be subject to the same transit restrictions and arrival requirements;

(d) Vessel operators (Customer Codes) must be the same for both vessels;

(e) A request for swapping must be received by Maritime Traffic Control no later than 24 hours prior to the earliest required arrival time of the vessels. Such request may be made in writing;

(f) The booking fee applied to both vessels will be the higher of the two booking fees applicable to the vessels involved in the swapping, in accordance with the current booking rates; and

(g) Vessels are permitted to swap their reserved transit slot up to five times per booking. The swapping fee to be applied will depend on the number of swaps the vessel is involved in, according to the following table:

NUMBER OF SWAPS	SWAPPING FEE PER VESSELS	
	Supers (vessels 91' beam and over)	Regulars (vessels under 91' beam)
1st swap	Included in the transit reservation fee	
2nd swap	\$14,000	\$4,200
3rd swap	\$21,000	\$6,300
4th swap	\$28,000	\$8,400
5th swap	\$35,000	\$10,500

The payment shall be made once the swap is approved by the ACP.

(h) For swaps involving two booked vessels with JIT transit service, each JIT slot will remain on the date and time originally established. Similarly, for swaps between a booked vessel with JIT service and a booked vessel without JIT, the JIT slot will remain on the date and time originally established.

11. *Change in booking date.* A change in booking date will be allowed without a cancellation charge, provided it is requested at least 60 days prior to the reserved arrival date but not more than 547 days from the date the request is made. The booking fee applied will be in accordance with the booking rates applicable at the time the change is requested.

12. *Charges for daylight transit.* Only non-daylight restricted booked vessels may request the option of daylight transits for a fee, as follows:

(a) \$30,000 per daylight transit when requested 3 or more days in advance of the transit date.

(b) \$20,000 per daylight transit when requested less than 3 days in advance, but before the closing of the third period of the transit date.

(c) The \$30,000 surcharge guarantees a daylight transit, once accepted by the ACP at least 3 days in advance.

(d) For the purpose of the daylight transit option only, a *daylight transit* is a transit in which the passage through two sets of locks and Gaillard Cut is accomplished during daylight hours.

The cancellation of a guaranteed daylight transit request will incur a charge, in accordance with the following table:

<b>DAYLIGHT TRANSIT CANCELLATION TABLE</b>	
<b>Notice Period</b> (In advance of required arrival time)	<b>Cancellation Fee</b> (Based on the vessel's booking fee)
Over 60 days	No cancellation charge
Over 30 days to 60 days	10% of booking fee
Over 21 days to 30 days	40% of booking fee
Over 72 hours to 21 days	60% of booking fee
36 to 72 hours	80% of booking fee
Less than 36 hours	100% of booking fee

The cancellation fees applicable to guaranteed daylight transit for passenger vessels and vessels with a JIT transit are determined based on an arrival time of 0200 for vessels with restrictions, and an arrival time of 1400 for vessels without restrictions.

## **ACP NAVIGATION REGULATIONS, ARTICLE 19**

### **Passenger vessel preference; priority transits**

Commercial passenger vessels shall be given preference over other vessels in transiting, provided they have been booked, and to the extent that such treatment does not impair safe and efficient operation of the Canal.

## **ACP NAVIGATION REGULATIONS, ARTICLE 16**

*(Regulation to Set Tolls, Rates and Fees for the Transit of Vessels through the Canal, and Rendering Related Services and Complementary Activities, Articles 1 and 4, Panama Canal Authority Official Tariff, item No. 1050.0000)*

## Booking fees

The booking fee for reserving a transit slot for a vessel shall be in accordance with the Panama Canal Authority Official Tariff. The *Just-In-Time* transit service will be offered at no additional cost.

### **FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATION, ARTICLE 16**

1. *Payments.* Booking fees shall be paid or secured in the same manner as tolls and other vessel charges prescribed by the ACP Official Tariff.

2. *All Vessels Included.* Except as otherwise provided in the rules, all vessels booked for transit, including commercial passenger vessels, shall pay booking and other prescribed fees inherent to transiting the Canal.

3. The booking fee is based on vessel dimensions, in accordance with the following table:

<b>BOOKING FEE TABLE</b>	
<b>Categories (in feet)</b>	<b>Any Booking Period</b>
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

### **ACP NAVIGATION REGULATIONS, ARTICLE 23**

#### **Penalties**

1. The reserved transit slot of a vessel booked for transit will be canceled by the ACP and the vessel will be penalized by way of forfeiture of the prescribed booking fee, or the applicable minimum fee, whichever is greater, in the following situations:

- When a vessel that is subject to transit restrictions (clear-Cut, clear-Cut daylight hours) has been booked for transit and does not arrive at a Canal terminal by 0200 hours on the day of the scheduled transit;
- When a vessel that is not subject to transit restrictions has been booked for transit and does not arrive at a Canal terminal by 1400 hours on the day of the scheduled transit;

- When a vessel booked for transit arrives on time but cannot or, at the vessel operator's election, does not transit as scheduled despite the readiness of Canal authorities to proceed; or

- When a vessel booked for transit with a JIT service does not arrive at the established arrival time, or arrives on time but cannot transit as scheduled despite the readiness of Canal authorities to proceed.

2. Vessels booked for transit that fail to arrive by their required arrival time may elect 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 vessel's actual arrival time, in accordance with the following table:

<b>LATE ARRIVAL PENALTY FEE TABLE</b>	
<b>Vessels with 0200 required arrival</b>	<b>Additional Fee</b>
0201-0300	50% of booking fee
0301-0400	100% of booking fee
0401-0500	150% of boooing fee
After 0500 hours	200% of booking fee
<b>Vessel with 1400 required arrival</b>	<b>Additional Fee</b>
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

3. *Just-In-Time* booked vessels that fail to arrive by their required arrival time may elect to transit on the day of their booking, when re-scheduling is possible without adversely affecting other vessels, subject to payment of an additional fee. The applicable fee for late arrivals of JIT vessels will be 50% of their corresponding booking fee.

4. Vessels allocated through the auction process that fail to arrive by their required arrival time may opt elect to transit on the day of their booking, when re-scheduling is possible without adversely affecting other vessels, subject to payment of an additional fee. The additional fee for late arrival of vessels allocated through the auction process will be a percentage of their regular booking fee based on dimensions, and not based on the amount awarded in the auction process.

5. Canal authorities may cancel the vessel's booking without charge, or may waive assessment of a penalty fee if the vessel's late arrival was due to a medical or humanitarian emergency, *force majeure* or fortuitous event arising between the vessel's last port and its arrival at Canal waters that could not have been reasonably predicted in advance. Likewise, the vessel's booking may be cancelled without charge if the vessel

arrives on time, but cannot transit due to force majeure or a fortuitous event that could not have been anticipated or prevented by the vessel. In either case, the vessel shall present in a timely manner, acceptable proof that substantiates the reason for late arrival or inability to transit.

6. Failure of the vessel agent to provide complete and accurate information required by the Authority when requesting transit bookings may result in rejection of the booking request or cancellation of the vessel's reserved transit slot.

7. When a vessel's reserved transit slot is canceled, and unless otherwise directed by the vessel agent, the ACP will re-schedule the vessel for regular transit.

### ***FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLE 23***

*Waiver Criteria.* The Authority must be able to independently verify the event that allegedly caused late arrival or the vessel's transit to be cancelled. Heavy seas and bad weather conditions routinely encountered by vessels at sea, or delays at port or while at anchor are not considered extraordinary phenomenon or events of major proportions so as to justify waiver of assessment of penalty fees. The decision of the Canal Authority shall be final.

### ***ACP NAVIGATION REGULATIONS, ARTICLES 17 AND 24***

#### **Re-scheduling**

1. Except as otherwise provided and without the booked vessel being assessed a penalty fee, the vessel agent may request cancellation of a vessel's reserved transit slot and reschedule the vessel for regular transit or, alternatively, request assignment of an alternate reserved transit slot, in the following situations:

(a) If for whatever reason the ACP cancels the transit of a vessel booked for transit that is otherwise ready to proceed as scheduled; or

(b) If for whatever reason the ACP delays the transit of a booked vessel to the point where it may prevent the vessel's arrival on time for a second transit on a later date that has been reserved before the delay of the first transit occurred.

2. A vessel booked for transit will be deemed to have transited the Canal on its reserved transit date if the vessel arrives at the first set of locks at either Canal terminal prior to 2400 hours that day and her In-Transit Time (ITT) is 18 hours or less. The ITT begins when the vessel enters the first set of locks at either Canal terminal and ends when the vessel departs the last set of locks at the opposite terminal. No booking fee will be charged if, due to events that are beyond the control of the booked vessel as determined by the ACP, the ITT exceeds 18 hours. This provision shall not apply in the case of a turn-around transit in which the vessel enters and exits the same set of locks at either Canal terminal.

## **FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLES 17 AND 24**

1. *Turn-Around Transits Excluded.* ACP Navigation Regulation, Article 17, shall only apply where, during the course of a scheduled transit, a vessel booked for transit enters the first set of locks at either Canal terminal and exits the last set of locks at the opposite Canal terminal. This rule shall not apply to a "turn-around" transit where, during the course of a scheduled transit, a vessel booked for transit enters and exits the *same* set of locks at either Canal terminal.

2. *Early Transits Excluded.* ACP Navigation Regulations, Article 17, shall not apply where Canal authorities permit a vessel booked for transit to be moved through the Canal *earlier* than her reserved transit date.

## **ACP NAVIGATION REGULATIONS, ARTICLE 22**

(Panama Canal Authority Official Tariff, items No.1050.0040 to 1050.0090)

### **Cancellations**

1. A vessel agent may cancel the transit reservation by providing advance notice as prescribed by the Canal Authority. In such event, except as otherwise provided, a cancellation fee will be charged. The amount of the fee will depend on the notice period (days or hours) received by the Authority in advance of the vessel's required arrival time according to the following table:

<b>BOOKING CANCELLATION TABLE</b>	
<b>Notice Period</b> (In advance of required arrival time)	<b>Cancellation Fee</b> (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 \$1,100
30 to over 3 days	60% of booking fee or \$1,300
72 hours to 36 hours	80% of booking fee or \$1,600
Less than 36 hours	100% of booking fee

The fees applicable to booking cancellations for passenger vessels and vessels who have been awarded a JIT transit service are determined based on an arrival time of 0200 hours for vessels with restrictions and an arrival of 1400 hours for vessels without restrictions.

The fees applicable for cancellation of auctioned slots will be 90% of the winning bid and shall be requested before the vessel's required arrival time or before the vessel is underway for transit, whichever occurs first.

2. Receipt by the ACP of a transit reservation cancellation notice after the vessel's required arrival time will result in an application of a cancellation fee equal to the entire prescribed booking fee.

3. Booking slots that become available during the 1<sup>st</sup> or 2<sup>nd</sup> period due to cancellations or changes in booking dates will be offered first to vessels that failed to secure a slot during the tie-breaker competition for that period, followed by any subsequent rejections, in order of rejection, as long as the rejection takes place prior to the booking slot becoming available. If a cancellation or a change in transit date takes place on the last day of a period, the slot that becomes available will be carried over to the following period without a "special competition."

If there were no rejections or if none of the rejected vessels are interested, the available slot(s) will then be allocated through a "special competition," in the following manner:

- The ACP will publish daily, by no later than 1530 hours, any slot that becomes available due to a cancellation or a change in transit date. This information will be available at: <https://sites.extranet.pancanal.com/sites/tb/default.aspx>.
- This information will be also available at our *Slot Availability Notifications* website at: <http://www.pancanal.com/eng/maritime/booking/index.html>.
- Steamship agents interested in having access to this information may send their request to [edcs\\_registration@pancanal.com](mailto:edcs_registration@pancanal.com) and a password will be issued.
- Requests to participate in the "special competition" will be received from 0900 to 0930 hours of the day following the date of publication; however, processing will not begin earlier than 0930 hours.
- The procedure utilized during the "special competition" for the allocation of the available slots will be the same as the procedure utilized to allocate slots during the regular tie-breaker competition.
- Any booking request received after the cancellation or the change in transit date takes place, but before the opening of the "special competition," will not be accepted. In order for these requests to be considered, they must be re-submitted during the "special competition" period.
- The competition list that is derived from this "special competition" will be used to allocate slots that become available in the future for that same date.

- If there are no vessels interested in the “special competition,” the slot will then become available on a *first come-first served* basis for the remainder of the period.

- All times referenced to are local times.

4. Slots cancelled during the 3<sup>rd</sup> period will be offered first to those vessels that failed to secure a slot during the tie-breaker competition, followed by subsequent rejections (in the order of rejection), and last, to any other interested vessels, on a first-come-first-served basis, following ACP notification of availability.

5. Booking slots that are cancelled after the closing of the 3<sup>rd</sup> period, but prior to 1100 hours on the day preceding the booking date, may be offered first to those vessels that failed to secure a slot during the 3<sup>rd</sup> period tie-breaker competition, followed by any subsequent rejections, in order of rejection. These vessels must have the same or lesser restrictions as the vessel that cancelled the booking, and must be transiting in the same direction.

6. Vessels whose request for a booking slot was rejected but subsequently obtain a slot for an alternate date, will not be assessed a cancellation fee for the change in booking date when accepting slots that become available due to cancellations.

7. *Reservation Date Changes for Gatun Recreational Facilities*: Changes in the reservation dates for the use of Gatun Recreational Facilities will incur in a cancellation charge. The amount to be charged will depend on the advance notification of the cancellation, in accordance with the ACP’s Official Tariff.

***FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATION, ARTICLE 22***  
*(Panama Canal Authority Official Tariff, items No.1050.0040 to 1050.0090)*

1. *Cancellation Form*. To cancel a transit booking, the vessel agent must complete a Transit Booking Cancellation form (<http://www.pancanal.com/eng/maritime/forms/4633.xls>). The completed form may be sent through the EDCS Web Portal, faxed to (507) 272-5137, or personally delivered to the Maritime Traffic Control (MTC) at Building 910, La Boca, 24 hours a day.

2. *Advance Cancellation Notice*. The amount of the cancellation fee to be assessed will be determined by the date and time of reception by the ACP’s Maritime Traffic Control of the cancellation notice.

***ACP NAVIGATION REGULATIONS, ARTICLE 8***

**Regular transits**

Vessels that are not booked for transit will be scheduled to transit on the date and in the order determined by the ACP. In establishing the daily transit schedule, the order in

which vessels arrive in Canal waters for transit is only one of several items to be considered.

## ***ACP NAVIGATION REGULATIONS, ARTICLE 25***

### **Temporary suspension of the Transit Reservation System**

1. The ACP may temporarily suspend the Transit Reservation System, in whole or in part, and for an indefinite period of time, when it is determined that such action is necessary to ensure continued safe and efficient operation of the Canal.

2. No penalty or fee will be levied against any booked vessel whose reserved transit slot is canceled by reason of a temporary suspension of the Transit Reservation System.

### ***ADDITIONAL PROVISIONS***

To facilitate the efficient operation of the Transit Reservation System, the ACP may establish additional policies and procedures, define additional terms, and issue clarifications and interpretations consistent with the provisions of this Notice to Shipping. Further implementation, clarification or interpretation will be published and distributed to Canal customers through Advisories and Notices to Shipping or other appropriate means as determined by the ACP.