January 14, 2003

MR’S ADVISORY TO SHIPPING No. A-01-2003

TO: All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – DECEMBER 2002

1. Statistical Summary:
   a. Transit Pilot Force .......................................................... 282
   b. Pilots in Training ............................................................. 0
   c. Tugs ........................................................................... 24
   d. Locomotives ................................................................. 100
   e. Traffic Statistics (Preliminary):

   Arrivals                                           Average Daily | High Daily | Low Daily
   .................................................................................
   33.1                                              50.0        22.0
   Oceangoing Transits (Includes Handlines)          33.7        41.0        27.0
   Canal Waters Time (Hrs.)                          21.9        32.6        14.6
   In-Transit Time (Hrs.)                           9.7         12.3        7.5
   Total                                             494        297        197

2. Scheduled Locks Outages

<table>
<thead>
<tr>
<th>Dates</th>
<th>No. of Days</th>
<th>Miraflores</th>
<th>Pedro Miguel</th>
<th>Gatun</th>
<th>Daily Transit Capacity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 15 - 16, 2003</td>
<td>2</td>
<td>Lane Outage</td>
<td></td>
<td></td>
<td>30 – 32</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Feb. 19-20, 2003</td>
<td>2</td>
<td>Lane Outage</td>
<td></td>
<td></td>
<td>30 – 32</td>
<td>Tentative</td>
</tr>
<tr>
<td>Jun 2 - 12, 2003</td>
<td>11</td>
<td>Lane Outage</td>
<td></td>
<td></td>
<td>30 – 32</td>
<td>Tentative</td>
</tr>
<tr>
<td>Jul 7 - 17, 2003</td>
<td>11</td>
<td>Lane Outage</td>
<td>Culvert Outage (8d)</td>
<td>30 – 32</td>
<td>Tentative</td>
<td></td>
</tr>
<tr>
<td>Aug 11 - 22, 2003</td>
<td>12</td>
<td>Lane Outage</td>
<td>Lane Outage</td>
<td></td>
<td>26 – 28</td>
<td>Tentative</td>
</tr>
<tr>
<td>Sept 15 - 26, 2003</td>
<td>11</td>
<td>Lane Outage</td>
<td>Lane Outage</td>
<td></td>
<td>26 – 28</td>
<td>Tentative</td>
</tr>
</tbody>
</table>

Note: 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.

Transit Capacity: The normal capacity of the Panama Canal is 38 vessel 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 Vessel Transit Reservation System slots are fully utilized. Two-day lane outages have no significant impact on Canal vessel backlog.

3. See reverse for items of interest to the shipping community.
4. This advisory will be canceled for record purposes on January 31, 2003.

ORIGINAL SIGNED
Jorge L. Quijano
Maritime Operations Director

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ITEMS OF INTEREST FOR THE SHIPPING COMMUNITY

Canal Performance

In December 2002, oceangoing transits totaled 1045, or a daily average of 33.7. Transits by wide-beam vessels (30.48 meters/100 feet in beam and over) totaled 417, or 39.6 percent of all oceangoing transits. The average Canal Waters Time (CWT) was 21.9 hours.

Vessels with special features make maiden transit

“The World” and “Castoro 10” had two things in common when they transited the Panama Canal: both were recently built vessels making their maiden transits and the special features in their respective designs presented a challenge to the Canal officials tasked with providing them with the customary expeditious, safe and reliable transit services.

The luxury cruise ship “The World” made her maiden transit of the Canal on November 27, 2002. Although it is not a Panamax-size vessel, its bridge wings extend beyond the hull to within nine inches of the control house when centered in the locks chamber. To allow the transit, Canal specialists examined the vessel’s drawings and determined the best way to make the ocean-to-ocean passage.

Among the requirements for the transit was the removal of a catwalk overhand to provide additional inches of clearance between the bridge wings and control houses. Exercising special handling to minimize the risk involved, the transit was completed without incident.

The “Castoro 10,” on the other hand, made the transit in two days, from December 4 to December 5, 2002. The “Castoro 10” is a pipe-laying barge, 456 feet in length and 101 feet in beam that transited the Canal towed by the ocean-going tugboat “Alex Gordon,” 205 feet in length and 45 feet in beam.

This transit was extraordinary for several reasons. First, the beam of the barge exceeded 100 feet. Secondly, the barge had three underwater protrusions on the starboard side: two anchor guards near the bow and stern, and a cone-shaped floating equipment connection on the stern. The second reason made this transit more extraordinary for this type of vessel since the protrusions extended 6.5 feet outboard of the starboard side resulting in an extreme beam for this barge of more than 107 feet.

The barge drawings were reviewed by Canal officials in Panama and the barge was inspected on November 4, 2002, in Halifax, Nova Scotia, Canada.

As precaution measures for this transit, the entrance knuckle tire fenders were removed on all the west side locks and three pilots were assigned to the barge and one to the tug. The owners of the “Castoro 10” were required to pay all costs incurred in the removal and reinstallation of the tire fenders.

These two extraordinary transits demonstrate the motivation of the Panama Canal to provide solutions to its customers.