



MR NOTICE TO SHIPPING No. N-7-2006

**Panama Canal Transit
Reservation System**



January 1, 2006

MR NOTICE TO SHIPPING No. N-7-2006

To: Steamship Agents, Owners and Operators

Subject: Panama Canal Transit Reservation System

1. Effective Date and Cancellation

This Notice cancels MR Notice to Shipping No. N-7-2005 and its subsequent revisions, and will be effective on the date of issue. A revised notice will be issued in January of each year or when otherwise required.

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 recited 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.

c. This Notice to Shipping has been revised and the following changes were implemented:

(1) The number of booking slots available for supers during normal conditions was increased in page 5 of this Notice.

(2) The number of booking slots for supers and regulars when the Canal capacity is reduced to less than 34 vessels was modified in page 7.

(3) The number of regular vessels that may be booked for transit in the same direction during normal conditions was changed to five and the number of slots available for regular vessels during Condition 2 was changed to six, in page 8.

(4) Updated information regarding *tie-breaker criteria* and the use of the SIQD form was incorporated in page 9.

(5) Information about substitutions and swapping was updated in page 10.

(6) The notice period to make changes to transit dates was modified in page 11.

(7) Changes were made to the charges for daylight transit bookings and to the cancellation notice periods in page 11.

(8) Updated information regarding the fee to reserve transit slots for vessels with a capacity to carry containers on deck was added in page 12.

(9) The notice periods and other information regarding cancellations were updated in pages 15 and 16.

3. Booking through the Electronic Data Collection System (EDCS)

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's 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; however, the customer must have a Customer Code (CC) in order to receive a user name and password.

The ACP Customer Relations Office sends the Customer Code and the User Name/Password assigned to the customer. Customers are advised that their passwords should be modified on the first login to the EDCS. The ACP Help Desk provides 24-hour service to address difficulties pertaining to EDCS access. The process of generating a CC and User Name/Password takes a minimum of two working days. The Customer Relations Office is available Monday through Friday from 7:15 a.m. to 4:15 p.m.

Following are points of contact for EDCS support:

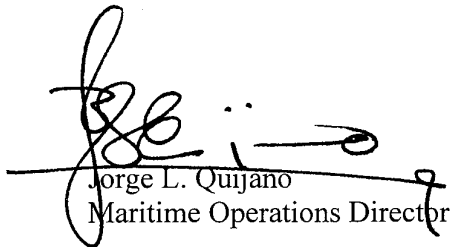
| | |
|--------------------------------------|--------------------------------|
| International Call Center..... | Tel. + 65 6887-7288 |
| Local Call Center | Tel. (507) 272-2222 |
| Customer Support | EDCS_support@pancanal.com |
| Registration and Accreditation | EDCS_registration@pancanal.com |
| Customer Relations..... | Customerrelations@pancanal.com |
| General Information..... | EDCS_info@pancanal.com |

4. Transit Booking Information on the Internet

A new section on the Panama Canal Internet Page is now 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
- Regular vessels (under 91 feet in beam)
- Supers (91 feet in beam and over)
- Booking Slots Available Report
- Customer Ranking Report

The Booking Slots Available display has been designed to provide information on reserved slots and slot availability within the next 12 months, while the new Booking Slots Available Report has been created to facilitate the review of the availability of booking dates. This information is updated every two hours. In addition, the Customer Ranking Report is updated and posted at the end of each month



Jorge L. Quijano
Maritime Operations Director

FULL DISTRIBUTION

NOTICE TO SHIPPING No. N-7-2006

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 the ACP as the deadline by which a vessel booked for transit must arrive in order to transit.

(e) *Vessel agent* means a person or entity that has been authorized by a vessel owner or operator, in the manner prescribed by the 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. *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 are exempt from this requirement.

3. *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.

4. *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 miles (13.6 kilometers);

In case of a southbound vessel departing a port in Manzanillo Bay, the vessel establishes radio contact with the ACP Cristobal signal station and reports its position as passing 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, the reserved transit slot will be canceled.

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:

(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.

(b) A total of 23 reserved transit slots will be made available throughout the three 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 23 authorized reserved transit slots available per day will be allocated among booking periods and size of vessels as set forth in the following table:

| Vessel | 1st Booking Period | 2nd Booking Period | 3rd Booking Period |
|--|---------------------------|---------------------------|---------------------------|
| <i>Supers:</i> 91ft. (27.74m) in beam and over | 5 | 3 | 7 |
| <i>Regulars:</i> under 91ft. (27.74m) in beam | 2 | 2 | 4 |
| Total of 23 | 7 | 5 | 11 |

2. *Passenger Vessel Allocations.* From October 1 to May 31, three of the seven reserved transit slots allocated to the first booking period are available exclusively for commercial passenger vessels on a first-come, first-served basis without regard to vessel size or impact on the vessel size allocations reflected in the above table. However, requests for the use of these reserved slots will only be accepted 365-335 days prior to the requested day. When the three slots for passenger vessels in the first booking period have been assigned or after the 30-day period has expired, no distinction will be made between commercial passenger vessels and other vessels, when assigning any remaining reserved transit slots in any of the three booking periods.

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

4. *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:

| Condition | Capacity | Super | Regular | Total |
|--|--------------|-------|---------|-------|
| 1. Normal operations | 34 or over | 15 | 8 | 23 |
| 2. Significant reduction in capacity (for example, lane outages) | Less than 34 | 10 | 6 | 16 |
| 3. Backlog of 90 or more vessels awaiting transit at both Canal terminals for at least 2 days | N/A | 8 | 4 | 12 |
| 4. Severe reduction in Canal capacity (slides, vessel accidents or other unforeseen circumstances) | N/A | 0 | 0 | 0 |

5. *Condition 3/Premium Booking Fee.* 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. **NOTE:** Invoking *Condition 3* automatically triggers the higher booking fee prescribed by the Panama Canal Authority Official Tariff. *Condition 3* will be revoked whenever the number of vessels awaiting transit is projected to decrease, within two days, to 80 or fewer vessels.

6. *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.

7. *Same Direction Transits/Supers.*

(a) During normal conditions, no more than nine *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 eight *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.

(b) During Condition 2, no more than five *supers* may be booked for transit in the same direction and, of these, no more than four with “full daylight-hour” restrictions. The number of “full daylight-hour” restricted vessels shall not exceed six.

(c) During Condition 3, no more than four *supers* may be booked for transit in the same direction and, of these, no more than three with “full daylight-hour” restrictions.

(d) Before the closing of the 3rd 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 3rd 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 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 3rd period competition, in order of rejection.

(e) However, exceptions to the limits may only be made with the express authorization from the Maritime Operations Director, or his designee, and only in such case as deemed necessary to guarantee operational efficiency.

8. *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 (for example, clear-Cut, daylight hours, or daylight hours in the Cut).

(b) 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 (for example: clear-Cut, daylight hours, or daylight hours in the Cut).

(c) 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 (for example: clear-Cut, daylight hours, or daylight hours in the Cut).

(d) Before the closing of the 3rd booking period competition, 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 3rd 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 there are no rejections, the available slots may be offered to any interested regular vessel.

(e) However, exceptions to the limits may only be made with the express authorization from the Maritime Operations Director, or his designee, and then only in such case that it be necessary to guarantee operational efficiency.

9. *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 reserved transit is subsequently canceled by the vessel's agent 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

(a) 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.

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

(c) Swapping 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 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 Marine Traffic Control (MTC), 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 first, followed by faxed requests, 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 Department. Ship 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.

(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 clerk, cannot be processed.

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's 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 is subject to the same or lesser conditions as the original one; and

(d) The written request for substitution shall be received by the ACP Marine Traffic Control 24 hours or more prior to the required arrival time of the booked vessel.

If the substitution is requested at least 60 days in advance of the booked vessel's required arrival date, there will be no cancellation charge. If the substitution is requested less than 60 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.

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 similar in size 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 Marine Traffic Control no later than 24 hours prior to the earliest required arrival time of the vessels. Such request may be made by telephone or in writing; and
- (f) Vessels are permitted to swap their reserved transit slots only once per booking. Such swaps will not incur in a cancellation charge.

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.

11. *Change in transit date.* A change in transit 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 364 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:

- \$30,000 per daylight transit when requested 60 or more days in advance of the transit date.
- \$20,000 per daylight transit when requested less than 60 days in advance of the transit date. Such request will be confirmed 48 hours prior to the transit date.
- The \$30,000 surcharge guarantees a daylight transit, once accepted by the ACP at least 60 days in advance.

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

| Notice Period (In advance of required arrival time) | Cancellation Fee (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 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 vessels 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

(a) The booking fee for reserving a transit slot for a vessel measured in accordance with *ACP Admeasurement Regulations, Article 10*, shall be in accordance with the Panama Canal Authority Official Tariff.

(b) 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, any booked vessel that transits while this condition is in effect shall automatically be assessed a higher booking fee in accordance with the Panama Canal Authority Official Tariff.

(c) Notwithstanding the provisions of subsection (b) of this section or any other contrary provision of this part, Canal authorities will guarantee a booked vessel, a reserved transit slot at the booking fee rate in effect *at the time the vessel is booked for transit*, irrespective of any premium booking fee rate that may be in effect at the time the vessel actually transits the Canal.

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, item No.1010.0000*.

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 incident to transiting the Canal.

3. The booking fee estimates to reserve transit slots for vessels with a capacity to carry containers on deck that are not full-container vessels, will be based on the current PC/UMS rate, plus the TEU allowance capacity, multiplied by the current TEU booking rate. However, the booking fee for these vessels will be assessed on the basis of the actual number of TEUs carried on deck, while the booking cancellation fee will be based only on the vessel's PC/UMS rate. If a vessel in this category is involved in a substitution or swapping, the applicable booking fee will be determined once the vessel is inspected by the ACP.

ACP NAVIGATION REGULATIONS, ARTICLE 23

Penalties

(a) 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; or
- 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.

(b) Vessels booked for transit that fail to arrive on schedule will be given the option of transiting on the same day of arrival when re-scheduling is possible without adversely affecting

other vessels. These vessels will be subject to a penalty equal to 200 percent of their prescribed booking fee.

(c) Canal authorities may waive assessment of a penalty fee if the vessel agent presents acceptable proof that the vessel's late arrival was due to a medical or humanitarian emergency arising during the voyage, or a natural phenomenon or event of major proportions that could not have been reasonably predicted in advance.

(d) 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.

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

FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLE 23

Waiver Criteria. The ACP must be able to independently verify the vessel's alleged cause for late arrival. Heavy seas and bad weather conditions routinely encountered by vessels 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 to waive or not the assessment of penalty fees shall be final.

ACP NAVIGATION REGULATIONS, ARTICLES 17 AND 24

Re-scheduling

(a) 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:

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

(2) 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.

(b) 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

(a) A vessel's agent may cancel the transit reservation by giving notice as prescribed by the ACP Regulations. Except as otherwise provided, a cancellation fee will be assessed a fee in accordance with the *Panama Canal Authority Official Tariff*, as follows:

| Notice Period (In advance of required arrival time) | Cancellation Fee (the greater of) |
|---|---|
| Over 30 days to 365 days | 10% of booking fee or \$600 |
| Over 21 days to 30 days | 40% of booking fee or \$900 |
| Over 72 hours to 21 days | 60% of booking fee or \$1,200 |
| 36 to 72 hours | 80% of booking fee or \$1,500 |
| Less than 36 hours. | 100% of booking fee |

The fees applicable to booking cancellations for passenger vessels are determined based on an arrival time of 0200 hours for vessels with restrictions and an arrival of 1400 hours for vessels without restrictions.

(b) 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.

(c) Slots cancelled during the 1st or 2nd booking periods will become available during the same period only if all the slots available for that period were not allocated. Otherwise, these slots will be offered in the booking period(s) that follow.

(d) Slots cancelled during the 3rd period will be offered, subject to the same transit restrictions, 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.

(e) Booking slots that are cancelled after the closing of the 3rd 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 3rd 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.

(f) *Reservation Date Changes for Gatun Recreational Facilities*: A change in the reservation date for the use of Gatun Recreational Facilities is permitted without a charge if requested at least 60 days prior to the reservation date. Otherwise, a charge of \$600 will be assessed 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 Marine 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 Marine 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

(a) 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.

(b) 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 section. Any further implementation, clarification or interpretation will be published and distributed to Canal customers through Advisories to Shipping or other appropriate means as determined by the ACP.