

NT NOTICE TO SHIPPING No. N-7-2020



Panama Canal
Transit Reservation
System

January 1, 2020

NT NOTICE TO SHIPPING No. N-7-2020

To: Shipping Agents, Owners and Operators

Subject: Panama Canal Transit Reservation System

1. Effective Date and Cancellation

This Notice cancels NT Notice to Shipping No. N-7-2019 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 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*, the latter shall govern.

3. Booking through the Transit Reservation System Application

The Transit Reservation System (Booking) Application 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 Booking Application allows local shipping agents to manage their booking transactions on-line and also allow other interested parties, such as charterers, owners or operators, to access booking transactions as a query only.

Booking requests, requests for Daylight Transits, requests for Same-day transits, requests for Just-in-Time transits, Substitutions, Swaps, Change in Booking Dates, and Cancellations are received through the Booking Application. Competition results, Waiting

PANAMA CANAL AUTHORITY (ACP)
Vice Presidency for Transit Business
Building 729, Balboa-Ancon
Panama, Panama
www.pancanal.com

List, and Slot Availability Reports are also available in this application. Registered agents have access to this application at any time, once the ACP provides each registered agent with a user name and password to log onto the Booking Application.

The ACP Help Desk provides 24-hour service to address difficulties pertaining to the Booking Application.

Following are points of contact for support:

- International Call Center Tel. + 65 6887-7288

4. 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 – Web Page
- Customer Ranking

The Customer Ranking Report is updated and posted at the beginning of each month, while the Slots Availability is updated every time a slot is awarded.

The Booking Slots Available – Web Page site has been designed to provide information on reserved slots and slot availability within the next 12 months for small, large and *Neopanamax* vessels, and information for the next 24 months for commercial passenger vessels.

5. 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 customerservice@pancanal.com or delivered to:

Customer Service
Panama Canal Authority
Building 729, Balboa
Republic of Panama

6. 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: 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/op/customer-code-procedure.pdf>

Customer Codes that are not used in a five-year period may be deactivated by the ACP Customer Relations Unit during 2007. Customers who 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 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/op/customer-code-procedure.pdf>

Ilya R. Espino de Marotta
Vice President for Transit Business

RULES AND PROVISIONS CONCERNING THE PANAMA CANAL TRANSIT RESERVATION SYSTEM

ACP NAVIGATION REGULATIONS, ARTICLE 20

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 9

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 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 9

1. *Vessel Classification*. For purposes of these rules, vessels are classified as *Neopanamax* when they are over 107 feet (32.62 meters) in beam or over 966 feet (294.44 meters) in length; *supers* when they are 91 feet (27.74 meters) in beam or over but no more than 107 feet in beam, and length overall not exceeding 966 feet (294.44 meters); and *regulars* when they are under 91 feet (27.74 meters) in beam.

2. *Required Arrival Times/Neopanamax.* Required arrival time for *Neopanamax* vessels is 2200 hours of the day prior to their booked date. For *Neopanamax* LNG carriers, the required arrival time is 0200 hours of their booked date. *Neopanamax* commercial passenger vessels are exempt from this requirement, provided that they arrive with enough time to maintain their schedule.

3. *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 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 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 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.

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

6. *Arrival Time.* For purposes of these rules, a vessel booked for transit will be deemed to have arrived at a Canal terminal when an 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) from the sea buoy on the Pacific side or from the breakwater entrance on the Atlantic side.

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.

ACP NAVIGATION REGULATIONS, ARTICLES 22 AND 23

Booking periods; allocation of reserved slots

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

Special Period: Commercial Passenger Vessels - 730 to 366 days prior to the requested transit date.

Normal Periods:

(1) *First Period* - For the Panamax locks, from 365 to 22 days prior to the requested transit date. For the Neopanamax locks, from 365 to 81 days prior to the requested transit date.

(2) *Period 1.a* - For Neopanamax locks only, from 80 to 22 days prior to the requested transit date.

(3) *Second Period* - 21 to 4 days prior to the requested transit date.

(4) *Third Period* - 3 to 2 days prior to the requested transit date

Note: The third period closes at 1500 hours during weekdays and 1430 hours during weekends and holidays.

(b) Normally, a total of 31 reserved transit slots will be made available throughout the booking periods (8 Neopanamax, 15 Supers, and 8 Regulars), allocation of which is to be determined by the ACP. The ACP may adjust the total number and distribution of available reserved transit slots, commensurate with the safe and efficient operation of the Canal.

FURTHER IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLES 22 AND 23

1. *Transit Slot Allocations.* The 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 SIZE	Special Period (passenger vessels only)	1st Booking Period*	Booking Period 1.a	2nd Booking Period	3rd Booking Period	TOTAL
Neopanamax: more than 107 ft. (32.62 m) in beam	1	2	2	3	-	8
Supers: 91ft. (27.74m) in beam to 107 ft. (32.62 m) beam	3	4	-	3	5	15
Regulars: under 91ft. (27.74m) in beam	3	*	-	1	4	8
Total of 31	7	6	2	7	9	31

**Unused slots from the special passenger period are carried over to this period.*

2. *Passenger Vessel Allocations.* From 730 to 366 days prior to the requested transit date, one slot for neopanamax, three slots for supers and three slots for regulars from the 1st booking period will be available exclusively for commercial passenger 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 1st booking period. No distinction will be made between commercial passenger vessels and other vessels when assigning any remaining reserved transit slots in any of the remaining booking periods. The booking slot for neopanamax commercial passenger vessels requesting a *turn-around* transit will be limited to one (1) per day. Vessel agent shall inform the ACP that they are requesting a *turn-around* transit when creating or updating their visit in the Maritime Service Portal, prior to submitting their booking request. Failure to provide this information may result in the cancellation of the vessel's booking, as well as the application of corresponding charges.

3. *Panamax Plus Vessels.* At this time, panamax vessels with drafts greater than 39.5 feet TFW (also known as panamax plus vessels) are not allowed to book their transits.

4. *First Period for Neopanamax vessels.* During the First Booking Period, a maximum of three (3) slots will be offered to all interested vessels, except **LNG** vessels. Of these, a maximum of two (2) may be allocated to vessels transiting in the northbound

direction, and a maximum of one (1) may be allocated to vessels transiting in the southbound direction.

5. *Booking Period 1.a for Neopanamax Vessels.* During the Booking Period 1.a, two (2) slots will be offered daily, one northbound and one southbound. Only one (1) of these slots may be allocated to an LNG vessel. During the tiebreaker competition at the beginning of the period (between 0900 and 0930 hours), the allocation of these slots will be handled in the following manner:

- (a) The first of the two (2) slots will be allocated to the full container vessel with the highest ranking that participates in the competition. If no full container vessels are interested, the slot will be allocated to the LNG vessel with the highest ranking that participates in the competition. If no LNG vessels are interested, the slot will be awarded to any vessel that participates in the competition, based on ranking.
- (b) The second slot will be allocated to the LNG vessel with the highest ranking that participates in the competition, taking into account the limits per direction and/or restriction and provided that the 1st slot was not awarded to an LNG vessel. If no LNG vessels are interested, the slot will be allocated to the full container vessel with the highest ranking that participates in the competition. If no full container vessels are interested, the slot will be awarded to any vessel that participates in the competition, based on ranking.
- (c) After the competition, the remaining slots will be allocated to interested vessels on a *first come-first served* basis for the remainder of the period.

6. *Second Period for Neopanamax Vessels.* During the 2nd Booking Period, three slots will be made available to all vessels, including LNG vessels, in addition to any unused slots that are carried over from the previous periods. Full container vessels shall have priority over vessels from other market segments when assigning such slots during the competition, followed by LNG vessels. After the 2nd period tiebreaker competition, any remaining slots will become available to interested vessels from any market segment, on a first-come, first-served basis. Unused booking slots from the 2nd booking period will be carried over to the 3rd booking period.

The third slot offered during the 2nd booking period (regardless the direction), may only be assigned to vessels that meet the following criteria:

- (a) Full container vessels with a length overall (LOA) of less than 335.28 meters (1,100 feet), beam less than 43.28 meters (142 feet), and deep draft less than 13.72 meters (45 feet), Tropical Fresh Water (TFW); or

- (b) Vessels with precaution designator of PD-1 or PD-2 (excluding full container vessels) with a beam of 36.58 meters (120 feet) or less, or with a length overall (LOA) of 259.08 meters (850 feet) or less; or
- (c) Other vessel types with a length overall (LOA) of less than 304.8 meters (1,000 feet), beam of less than 41.15 meters (135 feet), and deep draft of less than 13.72 meters (45 feet) Tropical Fresh Water (TFW).

7. *Slot Reallocation for Neopanamax Vessels.* Booking Slots that become available due to booked neopanamax vessels transiting prior to their reserved date, may be offered to interested neopanamax vessels in the same manner as when the slot becomes available due to cancellations or changes in booking date, either through competition (regular or special), or *first-come, first-served* after the competition, provided that the booked vessel transits at least two days prior to its booking date.

8. *Neopanamax LNG Vessels.* Of the eight (8) slots offered per day, only two (2) slot may be allocated to LNG vessels.

9. *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. Request for any given day will be accepted until 1100 hours of the closing day of the third period. 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.

10. *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. Vessels that have been awarded these slots will not be allowed to request a Daylight Transit.

11. *Allocation of Slots through the Auction Process:* An additional slot is available to *supers* and *regular* vessels through an auction process during the 3rd 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 3rd period for the slot to be auctioned, or not later than 1100 hours on the closing day of the 3rd period (two days before transit date of the auctioned slot), and will end not earlier than 1330 hours on the closing day of the 3rd 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 3rd 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 3rd 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>

12. *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).

13. *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	EST. CAPACITY (panamax locks)	SUPERS	REGULARS	TOTAL
1. Normal operations	33 or over	15	8	23
1.a. Reduction in capacity without lane outages (for example: culvert outages or lockages with restrictions)	28 to 32	13	6	19
2. Significant reduction in capacity (for example, lane outages)	Less than 28	10	6	16
3. Backlog of 90 or more vessels awaiting transit at both Canal terminals for at least 2 days or due to other operational factors	N/A	10	4	14
4. Severe reduction in Canal capacity (slides, vessel accidents or other unforeseen circumstances)	N/A	0	0	0

14. *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, or due to other operational factors.

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

16. *Same Direction Transits/Neopanamax.*

During normal conditions, no more than 4 neopanamax may be booked for transit in the northbound direction, and of these, no more than 1 (one) with daylight restriction. Similarly, no more than 3 neopanamax may be booked for transit in the southbound direction, and of these, no more than 1 (one) with daylight restriction. The maximum number of slots that may be allocated to LNG vessels will be two (2) per day (regardless of restriction), either two in the northbound direction, or one northbound and one southbound. *Full-daylight* restricted vessels are not allowed to book their transit.

The maximum number of slots for “*daylight-restricted*” vessels combined with LNG vessels allowed is three (3) per day, as summarized below:

(a) Two northbound LNG vessels and one *daylight-restricted* vessel (either northbound or southbound);

(b) One northbound LNG vessel, one southbound LNG vessel, and one *daylight-restricted* vessel (either northbound or southbound);

(c) One *daylight-restricted* northbound vessel, one daylight southbound vessel, and one LNG vessel (either northbound or southbound).

17. *Same Direction Transits/Supers.*

(a) During normal conditions, no more than eight *supers* may be booked for transit in the southbound direction and, of these, no more than four with daylight restrictions. Similarly, no more than eight *supers* may be booked for transit in the northbound direction and, of these, no more than four with daylight restrictions. The combined number of daylight restricted vessels shall not exceed eight 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 seven *supers* may be booked for transit in the southbound direction, and of these, no more than four with daylight restrictions. Similarly, no more than seven *supers* may be booked for transit in the northbound direction and of these, no more than four with daylight restrictions. The combined number of daylight 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 four with daylight restrictions. The number of daylight restricted vessels shall not exceed six, and the number of JIT transit slots may not exceed one per direction.

(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 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 3rd 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.

18. *Same Direction Transits/Regular Vessels.*

(a) During normal conditions, no more than four 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 3rd 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 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 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.

19. *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 21 AND 27

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 21 AND 27

1. *Dead Tows.* Dead tows, small craft (vessels up to 125 feet in length) 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 by using the available system or other acceptable means as determined by the Authority. The booking request (ACP form 4623) may also be faxed to (507) 272-5137, or personally delivered to Maritime Traffic and Admeasurement Section, 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 after 0930 hours. Except as established in paragraph (g) of the *Tie-Breaker Criteria* established below, all 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 by electronic means, 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:

Customers with the highest ranking of Panama Canal business. This ranking will be determined based on the weighted average of the ranking of total transits (40%) and tolls paid (60%) during the preceding 12-month period, which ends the last day of the month preceding the month prior to the transit request (i.e. if the transit request is made in December, the last day of the 12-month period would be October 31). Vessels that comply with the Green Connection Initiative requirements will be credited with the corresponding percentage points in the transit portion of their customer ranking, depending on the requirements that the vessels meet, as determined by the Environmental Recognition Program available at the following link: <http://greenroute.micanaldepanama.com/index.php/environmental-premium-ranking/>

The customer ranking will be calculated and published each month by the ACP Billing System.

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 may invalidate the request.

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.

If two or more vessels with the same customer code are competing for a reserved slot, the vessel agent may request priority for a particular vessel. In such case, the agent must send the written request to the ACP Booking office (booking@pancanal.com) prior to 0930 hours of the day of the competition.

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 Panama Canal Service Portal. 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 Services Unit at: customerservice@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 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.

(f) Vessels in the order in which booking requests are received.

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 once the request is processed.

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 (*Neopanamax*, *super* or *regular*) and be subject to the same or lesser transit restrictions as the original one. In addition, between *Neopanamax* vessels, both vessels must belong to the same market segment (same vessel type); and

(d) The request for substitution shall be received by the ACP Maritime Traffic and Admeasurement Section at least 24 hours or more prior to the required arrival time of the booked vessel.

If the substitution is requested at least 7 days or more in advance of the booked vessel's required arrival time, there will be no cancellation charge. If the substitution is

requested less than 7 days in advance of the booked vessel's required arrival time, 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 (Neopanamax, 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 and Admeasurement Section 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	
	<i>Neopanamax and Supers (vessels 91' beam and over)</i>	<i>Regulars (vessels under 91' beam)</i>
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, or involving one vessel with JIT, each JIT must be requested once the swap is approved, regardless of if the JIT transit service was previously approved.

11. *Swaps and Substitutions between Alliance Members.* For neopanamax vessels, swapping and substitutions of booking slots between container vessels of alliance members will be allowed, under the following conditions:

(a) Both vessels must be of the same type and must belong to the containership segment.

(b) Both vessels must be neopanamax vessels.

(c) Both vessels must be transiting in the same direction.

(d) For swaps, vessels must have similar transit restrictions, and for substitutions, the new vessel must have similar or lesser transit restrictions.

(e) Both vessel operators must belong to services under the same alliance.

(f) The booking date of the vessels involved in the swap or substitution must be within the effective date of the services and of the alliance.

Vessel agents or shipping lines interested in having vessels involved in swaps and substitutions within alliance members shall send documentation regarding the alliance agreement to customerrelations@pancanal.com. The ACP may request additional information from shipping lines in order to verify their membership in the alliance. It is important that vessel agents register in the Maritime Service Portal the corresponding liner service for each vessel's visit prior to submitting the request for swap or substitution.

Any changes to the members of established alliances, changes in the effective dates, customer consolidations or deactivations, shall be presented to ACP in a timely manner in order to update our records.

The provisions established herein may be either modified or suspended at any time at the discretion of the ACP, in order to guarantee operational efficiency.

For additional information please visit the following link:

<http://www.pancanal.com/eng/op/customer-code-procedure.pdf>

12. *Change in booking date.* A change in booking date will be allowed without a cancellation fee, if it is requested 60 days or more prior to the reserved arrival date. The

booking fee applied will be in accordance with the booking rates applicable at the time the change is requested.

13. *Charges for daylight transit.* Only *non-daylight-restricted* passenger vessels, military and other non-commercial government-owned vessels, and yachts may request the daylight transit service, provided that they have been booked. The daylight transit fee is \$30,000.00, as per tariff item #1050.0247 of the ACP Official Tariff. For purposes of this option, 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 daylight transit request will incur a charge, in accordance with the following table:

DAYLIGHT TRANSIT CANCELLATION 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 a daylight transit for regular passenger vessels will be based on an arrival time of 1400 hours.

ACP NAVIGATION REGULATIONS, ARTICLE 26

Passenger and Full Container vessel preference

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 the safe and efficient operation of the Canal. Additionally, full container vessels may be given preference in transiting, provided they have been booked, and to the extent that such treatment does not impair the safe and efficient operation of the Canal.

ACP NAVIGATION REGULATIONS, ARTICLE 23

(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 23

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:

BOOKING FEE TABLE	
Categories (in feet)	Any Booking Period
LOA ≤ 300'	\$2,500
Beam < 80', LOA > 300'	\$5,500
80' ≤ Beam < 91', LOA > 300'	\$10,500
91' ≥ Beam ≤ 100', LOA > 300'	\$18,500
100' ≥ Beam ≤ 107', LOA < 900'	\$25,000
100' ≥ Beam ≤ 107', 900' ≤ LOA ≤ 966'	\$35,000
Beam > 107' or LOA > 966'	\$35,000

ACP NAVIGATION REGULATIONS, ARTICLE 30

Penalties

1. The reserved transit slot of a vessel booked for transit will be cancelled 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 *Neopanamax* vessel (excluding LNG carriers) does not arrive at a Canal terminal by 2200 hours of the previous day of its booking date;
- When a *Neopanamax* LNG carrier has been booked for transit and does not arrive at Canal terminal by 0200 hours of its booking date;
- When a *super* or a *regular* 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 of its booking date;

- When a regular vessel that is not subject to transit restrictions has been booked for transit and does not arrive at a Canal terminal by 1400 hours of its booking date;

- 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:

LATE ARRIVAL PENALTY FEE TABLE	
Vessel with 2200 required arrival	Additional Fee
2201 - 2300	25% booking fee
2301 - 2400	50% booking fee
0001 - 0100	75% booking fee
After 0100 hours	100% booking fee
Vessel with 0200 required arrival	Additional Fee
0201 - 0300	25% booking fee
0301 - 0400	50% booking fee
0401 - 0500	75% booking fee
After 0500 hours	100% booking fee
Vessel with 0330 required arrival	Additional Fee
0331-0400	25% booking fee
0401 - 0430	50% booking fee
0430 - 0500	75% booking fee
After 0501 hours	100% booking fee
Vessel with 1400 required arrival	Additional Fee
1401 - 1500	25% booking fee
1501 - 1600	50% booking fee
1601 - 1700	75% booking fee
After 1700 hours	100% 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 30

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 24 AND 32

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 arrives at 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 24 AND 32

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 arrives the first set of locks at either Canal terminal and departs 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 arrives and departs the *same* set of locks at either Canal terminal.

IMPLEMENTATION OF ACP NAVIGATION REGULATIONS, ARTICLE 28

The Authority may transit a booked vessel prior to its reserved transit date, if such transit does not impair the safe and efficient operation of the Canal. In these cases, the vessel will be deemed to have transited the Canal in compliance with the ITT if the vessel departs the last set of locks prior to 2400 hours of the reserved transit date.

ACP NAVIGATION REGULATIONS, ARTICLE 29

(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, through a cancellation request form, 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:

BOOKING CANCELLATION TABLE	
Notice Period (In advance of required arrival time)	Cancellation Fee (the greater of)
Over 365 days	10% of booking fee or \$500
over 180 to 365 days	20% of booking fee or \$600
over 90 to 180 days	50% of booking fee or \$900
over 21 to 90 days	60% of booking fee or \$1,100
over 7 to 21 days	70% of booking fee or \$1,300
4 to 7 days	80% of booking fee or \$1,600
Less than 4 days (96 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. Booking cancellation requests will not be accepted if received after the vessel's required arrival time or if the vessel is already underway for transit.

3. Booking slots that become available during the 1st or 2nd period due to cancellations or changes in booking dates will be offered through a "special competition," in the following manner:

- A notification will be sent by the ACP not later than 1530 hours of the day following the day the slots become available.
- 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 prior to the opening of the “special competition”, will not be accepted.

- 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.

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

- If a cancellation or a change in date occurs on the last day of the first or second period, the slot that becomes available will be carried over to the following period, and will be offered through the normal competition process.

- All times referenced to, are local times.

4. Slots cancelled during the 3rd 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 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.

6. Super and regular vessels that have requested a booking slot for a particular date and were rejected due to unavailability of slots, but subsequently obtain a slot for an alternate date, will be allowed to change to the original date without being assessed a cancellation fee (if awarded the slot), provided that they participate in the competition for the slot; and that the reservation for the alternate date was awarded in the same booking period, but prior to the slot for the original date becoming available.

7. Neopanamax vessels that have been awarded slots for alternate dates due to unavailability of slots will be allowed to change to dates when slots become available without being assessed a cancellation fee, provided that the booking slot for the alternate date was awarded prior to the slot for the original date becoming available, and that the vessel had previously requested a booking for those particular dates and was rejected due to unavailability of slots. This provision also applies to vessels interested in slots that become available during the second booking period competition. For this provision to be

applied, the booking request shall be submitted during the competition (regular or special) for such slots.

8. *Booking Cancellation Surcharges* (for Neopanamax LNG vessels only): For booking cancellations between 80 and 31 days prior to the vessel's booking date, an additional fee of \$15,000.00 USD will be assessed in addition to the regular cancellation fee.

For booking cancellations between 30 and 4 days prior to the vessel's booking date, a surcharge of \$25,000.00 USD will be assessed in addition to the regular cancellation fee.

For booking cancellations with less than 4 days prior to the vessel's booking date, or for booked LNG vessels that fail to arrive by 0600 hours on their booked date, an additional fee of \$35,000.00 USD will be assessed, in addition to the regular cancellation fee or forfeiture fee. In either case, if the vessel fails to arrive within the next five (5) days after the booked date, the customer who requested the booking will be penalized with the reduction of 0.5 transits in the transit portion of the customer's ranking.

The surcharges and ranking penalty mentioned in the previous paragraphs shall not apply when the reason for the vessel's late arrival or cancellation of the reservation is due to a medical or humanitarian emergency, fortuitous event or force majeure, as stated in Article 31 of the Maritime Regulations for the Operation of the Panama Canal.

Cancellations due to substitutions and changes in booking dates will not incur in the above-mentioned surcharges.

9. *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 29
(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 Request for Transit Booking Cancellation by using the available system as determined by the Authority. The transit booking cancellation request (ACP form 4633) may also be faxed to (507) 272-5137, or personally delivered to the Maritime Traffic and Admeasurement Section 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 and Admeasurement Section of the cancellation notice.

ACP NAVIGATION REGULATIONS, ARTICLE 9

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 33

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.