

August 12, 2003

MR'S ADVISORY TO SHIPPING No. A-27-2003

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – JULY 2003

1. Statistical Summary:

- a. Transit Pilot Force 280
- b. Pilots in Training 0
- c. Tugs 24
- d. Locomotives 100
- e. Traffic Statistics (Preliminary):

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	30.4	42.0	21.0
Oceangoing Transits	30.8	38.0	21.0
Canal Waters Time (Hrs.)	24.59	40.69	15.72
In-Transit Time (Hrs.)	10.16	15.14	8.00
	<u>Total</u>	<u>Supers</u>	<u>Regulars</u>
Booked Transits	466	298	168

2. Scheduled Locks Outages

TENTATIVE SCHEDULE OF LOCKS OUTAGES FOR REMAINDER OF YEAR 2003						
Dates	No. of Days	Miraflores	Pedro Miguel	Gatun	Daily Transit Capacity	Status
Aug 11 - 22, 2003	12		Lane Outage	Lane Outage(5d)	26 – 28	Confirmed
Sept 15 - 25, 2003	11	Lane Outage		Lane Outage	26 – 28	Tentative
Oct 20-30, 2003	11	Lane Outage			30 – 32	Tentative
Nov 25-27, 2003	3			Lane Outage	30 – 32	Tentative

Note: Whenever a set of locks requires a major outage of one of its two lanes for dry chamber inspection, miter gate repairs, tow track work or other major maintenance/improvement projects, advantage may be taken of this requirement to perform simultaneous single lane outages for additional maintenance at other locks.

Transit Capacity: The normal capacity of the Panama Canal is 38 vessel transits per day. This capacity is reduced during locks outages, as indicated in the above table. Consequently, vessels may experience delays in transiting. Normally, during these periods, the Panama Canal Vessel Transit Reservation System slots are fully utilized. Two-day lane outages have no significant impact on Canal vessel backlog.

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

ORIGINAL SIGNED

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Maritime Operations Director



ITEMS OF INTEREST FOR THE SHIPPING COMMUNITY

CANAL PERFORMANCE

In July 2003, oceangoing transits totaled 955, or a daily average of 30.8. Transits by wide-beam vessels (30.48 meters/100 feet in beam and over) totaled 411, or 42.8 percent of all oceangoing transits. The average Canal Waters Time (CWT) was 24.59 hours.

PANAMA CANAL AUTHORITY THIRD QUARTER METRICS

TONNAGE INCREASES AS CANAL WATERS TIME AND MARINE ACCIDENTS DROP

The Panama Canal Authority (ACP) announced third quarter operational metrics, which indicate the Canal is operating more safely and efficiently than ever before in its 89-year history. Third quarter results demonstrate an increase in tonnage and a reduction in CWT, which is the average time it takes a vessel to navigate the Canal, including time waiting for passage. To date, the Canal safety record has improved, with a noteworthy decline in maritime accidents, when compared to the first three quarters of FY2002.

The ACP attributes these improvements to its complete focus on operational improvements and its ongoing modernization and improvement projects. The ACP just welcomed the arrival of six new locomotives to its already increased fleet. Other improvement projects include an upgraded tugboat fleet, enhanced locomotive tow tracks and the replacement of locks machinery controls. All this has allowed the ACP to continue to improve the quality of transit service for its customers.

The Canal reduced its CWT from 25.6 hours during the third quarter of FY2002 to 21.4 hours during the third quarter of FY2003, reflecting a 16.4 percent improvement, or a 4.2 hours transit time reduction. During this same period, Canal PC/UMS tonnage increased as compared to a year ago, rising from 59,810,870 million PC/UMS to 60,214,717 million PC/UMS.

The ACP continues to make important strides in safety. During the first three quarters of FY2003, there were a total of nine maritime accidents, as compared to 16 during the first three quarters of FY2002, representing a 43.8 percent drop in accidents investigated by the Board of Inspectors.

“When our customers transit the Canal, they know that the ACP is doing everything possible to make transits safer and more efficient. Our priorities are our customers’ priorities. These figures exemplify how the ACP’s shift to run the Canal as a market-oriented business has improved the operations of the world’s global gateway. The ACP has enthusiastically met the challenge of helping our customers deliver their goods to world consumers in a timely and efficient manner,” said Canal Administrator, Alberto Alemán Zubieta.

The ACP’s dedication to a program of permanent modernization makes the Canal function efficiently, improves safety and operational capacity, and permits more flexible traffic scheduling and enhanced navigation. The Canal has implemented an advanced tracking system that pinpoints transiting ships and allows the ACP to act immediately if an incident were to occur.

Current Canal modernization projects will continue to improve the Canal’s operations. The implementation of the Automatic Identification System (AIS) on July 1, 2003, will strengthen the ACP’s management of the Canal’s traffic flow, safety of navigation and security of the waterway and the vessels that use it.