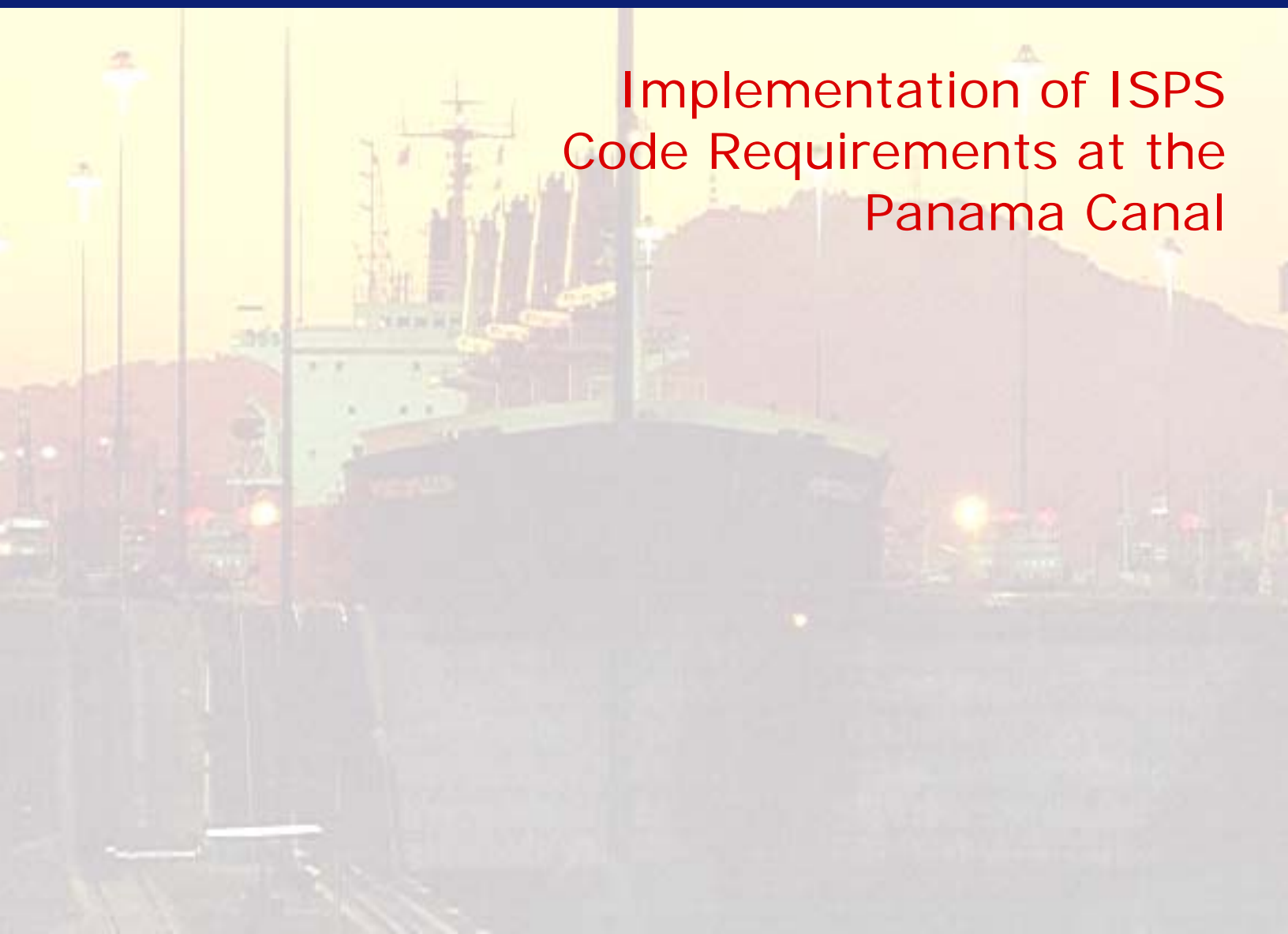




OP NOTICE TO SHIPPING No. N-13-2008 (Rev. 1)

**Implementation of ISPS
Code Requirements at the
Panama Canal**





August 6, 2008

OP NOTICE TO SHIPPING No. N-13-2008 (Revision 1)

To: Steamship Agents, Owners and Operators

Subject: Implementation of ISPS Code Requirements at the Panama Canal

1. Effective Date and Cancellation

This notice is effective on the date of issue and cancels MR Notice to Shipping No. N-13-2007. The content of this Notice remains the same as in the previous year, except for new unit and position names, as well as other organizational changes related to the recent reorganization of the Panama Canal Authority, and the modification of the definition of International Ship Security Certificate (ISSC) that appears on page 3. A revised Notice will be issued in January of each year or when otherwise required.

2. Purpose and Scope

a. The purpose of this Notice to Shipping is to present the new security requirements which were incorporated in the Panama Canal Authority (ACP) maritime regulations and which became applicable to all vessels arriving at Canal waters since July 1, 2004.

b. The ACP, conscious of the international threat of terrorism against the safety of vessels and the security of crews and passengers, voluntarily adopted the security requirements established by the International Ship and Port Facility Security Code (ISPS) even though the definition of a Port Facility contained in the ISPS Code does not include canals and locks. The new security requirements were incorporated in the ACP Regulation on Navigation in Panama Canal Waters, through a new Chapter X, and new definitions were added to Article 8 of Chapter I. For your information, the new definitions and Chapter X appear in the annex at the end of this Notice.

c. Vessels unable to fully comply with these requirements or that arrive at Canal waters without providing proper notification, as required, shall be considered in violation of Panama Canal Regulations and, as such, will be subject to control and compliance measures. These measures may include the assignment of additional resources, at the vessel's expense, or a more detailed inspection, which may result in delays or denial of transit. Vessels may also be subject to fines and/or other additional control and compliance measures, as deemed appropriate by the Canal Authority.

d. Due to the complexities of Panama Canal operations, the ACP is unable to provide advance notice of the names of ACP personnel who may board while the vessel remains in Canal waters. Nevertheless, appropriate security measures have been implemented to ensure that all persons proceeding to a vessel from an ACP facility have been properly cleared and that they will not pose a security risk to the vessel or its crew. ACP personnel will carry official identification cards to be presented upon the vessel's request; however, these cards will not be surrendered.

e. Local vessels involved in commercial activities in Panama Canal waters are required to maintain updated lists of their crew and submit them to the ACP. To ensure that appropriate security measures are in place, ACP security personnel may board these vessels at any time.

f. The Panama Canal Security Officer (PCSO) is Mr. Manuel E. Benítez, Executive Vice President of Operations. Additional questions or concerns may be addressed to the following points of contact, available on a 24-hour basis:

Protection and Emergency Response Division:

Mr. Antonio Michel, Executive Manager

Mr. Sergio Rodríguez

Telephone: (507) 276-3669

(507) 276-3227

Facsimile: (507) 276-4777

E-mail: opp@pancanal.com

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ORIGINAL SIGNED

Manuel E. Benítez
Executive Vice President of Operations

ANNEX:

NEW PANAMA CANAL AUTHORITY SECURITY REGULATIONS

1. New definitions added to Article 8 of Chapter I of the Regulation on Navigation in Panama Canal Waters:

ISPS Code: International Ship and Port Facility Security Code.

International Ship Security Certificate (ISSC): A certificate issued by the vessel's flag administration or by Recognized Security Organization acting on behalf of such flag administration. The original certificate shall be kept available onboard for presentation at the request of the Authority.

Panama Canal Security Officer (PCSO): Person designated by the Authority as the Panama Canal Security Officer. The PCSO is equivalent to the Port Facility Security Officer, as defined by the ISPS Code.

Panama Canal Security Plan: The compendium of regulations and procedures of the Authority, similar to those established in Chapter XI-2 of the Safety of Life at Sea Convention, 1974 (SOLAS/74), and in the International Ship and Port Facility Security Code (ISPS). This plan is applicable to Authority facilities and those that are under its exclusive administration and that are essential for the operation of the Canal.

Security Level: Qualification of the degree of risk that a security incident will be attempted or will occur.

The definition of Boarding Officer is modified as follows:

Boarding Officer: A qualified employee who is assigned the functions of inspector, with the purpose of ensuring compliance with this Regulation, the Regulation on Safety and Occupational Health, the Regulation for the Admeasurement of Vessels to Assess Tolls for Use of the Canal, the Regulation on Security of the Panama Canal Authority, the Regulation on Sanitation and Communicable Diseases, and the manuals and procedures for their implementation.

2. The new Chapter X was inserted between the original Chapters IX and X, causing the original Chapter X, *Offenses, Sanctions, and Sanctioning Proceedings*, to become the new Chapter XI. The numbering of Chapter XI was adjusted, while the text remained unchanged. The new Chapter X is as follows:

CHAPTER X

Security Regulations Applicable to Vessels in Panama Canal Waters or Installations

Article 142: The Authority security requirements contained in this Chapter shall apply to all vessels arriving in Canal waters, whether they intend to proceed to the anchorages, to the ports, or to transit. These requirements shall also apply to vessels conducting commercial activities in Canal waters.

Article 143: Vessels flying the flag of a non-Contracting Government to the SOLAS Convention, vessels less than 500 gross registered tons, and vessels belonging to and operated by a Contracting Government to the above-mentioned Convention, and that are used solely for non-commercial government service, shall provide proof that they have implemented security measures onboard equivalent to those required by the ISPS Code.

Article 144: Vessels not in compliance with the security requirements contained in this Chapter shall be subject to the control and compliance measures established by the Authority. Among the measures that may be applied shall be the assignment of additional resources at the vessel's expense, and a more detailed inspection, which may result in the delay or denial of the vessel's transit.

Article 145: Any vessel on an international voyage and underway to the Canal shall notify the Authority at least ninety-six (96) hours prior to its arrival, of the following:

1. Its intention of proceeding to the anchorage, transiting, or proceeding to port;
2. The security level at which the vessel is currently operating, according to the ISPS Code;
3. Confirmation that the vessel possesses a valid International Ship Security Certificate (ISSC);
4. The security level at which the vessel operated in the previous ten calls at port facilities;
5. Any special security measures implemented during said calls;
6. A confirmation that the appropriate security measures were maintained during ship-to-ship activity during the period covered by its previous ten calls at port facilities.

Vessels with a voyage time of less than ninety-six (96) hours from their last port of call prior to entering Canal waters shall provide to the Authority, immediately upon their departure from said port, the information listed in the preceding paragraph.

Article 146: Yachts and small craft, local or on international voyages, shall provide the following information to the Authority through the Flamenco or Cristobal Signal Stations when they are not less than 12 nautical miles from the sea buoys at both ends of the Panama Canal:

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1. Name of the yacht or small craft;
 2. Type and service of the yacht or small craft;
 3. Dimensions;
 4. Flag of registry;
 5. Last place of departure and port of call prior to arrival at the Panama Canal;
 6. Number and nationality of the persons on board;
 7. Purpose for entering Canal waters.

Article 147: Every vessel in Canal waters shall maintain a security level equal to or higher than the security level of the Canal.

Prior to the vessel's arrival in Canal waters, the Authority shall inform the vessel of the current security level of the Canal, in order for the vessel to adjust its security level, in case it is operating at a security level lower than that of the Canal.

Article 148: Every vessel arriving in Canal waters shall maintain control of its access points on board, and shall allow the embarkation of duly identified Authority personnel.

Article 149: Every vessel arriving in Canal waters shall implement a system to control access to the vessel, efficient and capable of expeditiously handling the embarkation and disembarkation of the required, properly identified, Authority personnel. Said system may not, at any time, affect the safe navigation in Canal waters. Any delays caused by the inspection procedures at the points of access to the vessel shall be taken into account in scheduling its transit.

Article 150: Any non-compliance with the provisions of this Chapter shall constitute an administrative offense in violation of the regulations on security for navigation in the Canal.