



August 22, 2002

MR'S ADVISORY TO SHIPPING No. A-27-2002

TO : ALL STEAMSHIP AGENTS, OWNERS, AND OPERATORS

SUBJECT: CHANGES IN THE PRICING STRUCTURE OF THE PANAMA CANAL

1. In accordance with Agreement No. 3, Regulation on the Procedure to Revise the Panama Canal Tolls Rate and Admeasurement Rules, the Panama Canal Authority conducted a consultation and public hearing process on the proposal to increase tolls, change the tolls application system, and establish a new fee for the use of locomotives to transit the Canal.

2. The public hearing was held in the Republic of Panama on July 19, 2002. Taking into consideration the comments submitted by the participants in the consultation and public hearing process, the Panama Board of Directors recommended, and the Cabinet Council of Panama approved, the following:

a. The changing of the system for the application of Canal tolls to a differentiated tolls system based on the vessel's PC/UMS that defines the main market segments served by the Canal

b. A general tolls increase to be implemented in two steps. The first increase will be effective on October 1, 2002, and the second increase will be effective on July 1, 2003, according to the following tables:

**FIRST IMPLEMENTATION PERIOD
OCTOBER 1, 2002**

Type of Vessel	A C T U A L		P R O P O S E D *					
	Laden	Ballast	First 10,000 tons (PC/UMS)		Next 10,000 tons (PC/UMS)		Remaining tons (PC/UMS)	
			Laden	Ballast	Laden	Ballast	Laden	Ballast
General Cargo	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Refrigerated Cargo	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Dry Bulk	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Tankers	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Container Vessels	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Vehicle Carriers	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Passenger Vessels	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Others	\$2.57	\$2.04	2.80	2.22	2.78	2.21	2.75	2.18
Displacement	\$1.43/displacement ton.		\$1.56/displacement ton					
* Minimum tolls will remain the same								

MR's Advisory to Shipping
August 22, 2002

**SECOND IMPLEMENTATION PERIOD
JULY 1, 2003**

Vessel Type	P R O P O S E D *					
	First 10,000 tons (PC/UMS)		Next 10,000 tons (PC/UMS)		Remaining tons (PC/UMS)	
	Laden	Ballast	Laden	Ballast	Laden	Ballast
General Cargo	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Refrigerated Cargo	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Dry Bulk	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Tankers	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Container Vessels	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Vehicle Carriers	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Passenger Vessels	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Others	\$2.96	\$2.35	\$2.90	\$2.30	\$2.85	\$2.26
Displacement	\$1.64/displacement ton					
* Minimum tolls will remain the same.						

3. A new tariff for the use of towing locomotives, as a related service, based on the number of locomotive wires required by the vessels to transit through the locks, at the rate of \$200.00 per wire used, effective October 1, 2002.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director