

AUTORIDAD DEL CANAL DE PANAMÁ

Balboa-Ancón República de Panamá www.pancanal.com

October 17, 2003

MR'S ADVISORY TO SHIPPING No. A-41-2003

TO : OWNERS AND OPERATORS OF SMALL CRAFT, MARINAS AND YACHT CLUBS

SUBJECT: Reminder on applicable rules and regulations while in Panama Canal waters

Recent complaints have been raised regarding small craft entering and navigating in Panama Canal waters in such a manner that shows total disregard for the safety of other vessels, as well as their own.

We want to remind all operators and owners of small craft and Marinas and Yacht Clubs of the rules and regulations applicable to small craft each and every time they enter and navigate within Panama Canal waters. It has been reported that these small craft are either not equipped with VHF radios or are failing to monitor Channel 12 and 16 as required, and possibly disregarding instructions given by ACP's Port Entry Coordinators at the Signal Stations.

The Maritime Regulations for the Operation of the Panama Canal, specifically paragraph 5, Article 149, Section 2, Chapter 10, Maritime Safety Offenses, identifies as an offense, "Failure to comply with the regulations, orders, or instructions issued by the Authority in relation to maritime operations in Canal areas". Also, paragraph 8 of the same regulation identifies as an offense, "Failure to comply with Authority rules or instructions on the transit of and provisions on small crafts, including vessels for recreational or other purposes, and on the use of any devices, equipment, or gear which may imply a risk to navigation in Canal waters."

Please be advised that these offenses are subject to possible sanctions. Article 150 of the same regulation states that "When the administrative offense may be considered a criminal offense, the case shall be referred to the competent authorities", and Article 151 states that "The following sanctions shall be imposed for offenses, according to their seriousness:

- 1. Non-serious offenses: fines of one hundred Balboas, to ten thousand Balboas (B/. 100.00 B/. 10,000.00).
- 2. Serious offenses: fines of ten thousand and one Balboas, to one hundred thousand Balboa (B/. 10,001.00 B/. 100,000.00.
- 3. Very serious offenses: fines of one hundred thousand and one Balboa, to one million Balboas (B/. 100,001.00 B/. 1,000,000.00).



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MR Notice to Shipping N-11-2003, Section 6d. states that "Small craft shall not be operated in the proximity of or cross in front of transiting vessels. Additionally, small craft shall not navigate at a speed or produce a wake that would endanger their safety, as well as the safety, lives and property of others in the area, including the Panama Canal Authority. Failure to adhere to this or any other regulation will be punishable with the immediate revocation of the license issued to the operator and/or the operation permit and the applicable sanctions will be imposed."

Therefore, it is imperative for Yacht Clubs and Marinas to notify their members, as well as for Yacht owners and operators to be aware, of these rules and regulations and the implications for lack of compliance.

Additionally, the navigational and adjacent waters of the Panama Canal were designed and delineated in order to guarantee the safe transit of vessels through the waterway. The efficiency of transit operations requires transiting vessels, as well as Panama Canal Authority floating equipment, to comply with strict schedules and to navigate under coordination with ACP Transit Control. Said vessels may create swells or wakes that may directly or indirectly affect small craft or physical installations located on the shores of the Canal.

The concessionaire that chooses to operate in these waters or have installations on these shores must be aware and anticipate these risks. Additionally, they must be aware that Canal operations shall not be affected in order to accommodate other activities not directly related to the transiting of vessels.

Installations located within Canal waters or on Canal shores, including recreational activities (marinas, clubs and ramps), of commercial type or public interest, must not in any way interfere with Canal operations. Therefore, all owners and operators of installations located within Canal waters or on Canal shores must incorporate into their structural designs the proper protection against the effects of swells or wakes that might be created by transiting vessels or ACP floating equipment. By reason of the type of operations performed by the Panama Canal Authority in Canal waters, the ACP will not assume any responsibility for damages to these installations or properties of third parties.

Anyone operating any vessel in Canal waters, particularly small craft without ACP pilots, is hereby reminded of their obligation to comply with ACP maritime regulations, as well as with Advisories and Notices to Shipping. Failure to comply will result in sanctions that may include a prohibition for the craft to operate in Canal waters.

ORIGINAL SIGNED

Jorge L. Quijano Maritime Operations Director