

**AGREEMENT No. 95**

(of March 30, 2005)

“Whereby the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal are Amended”

**THE BOARD OF DIRECTORS OF  
THE PANAMA CANAL AUTHORITY**

**WHEREAS:**

Law No. 19 of June 11, 1997, in article 18, item 5, paragraph e, establishes that the Board of Directors of the Panama Canal Authority is charged with approving the regulations applicable to the admeasurement and inspection of vessels, Canal navigation, marine traffic control, vessel pilotage, and other matters relative to Canal navigation.

In the exercise of said authority, the Board of Directors approved the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal, in Agreement No. 2 of September 3, 1998.

Pursuant to compliance with the legal and regulatory procedures, on January 28, 2005, the Board of Directors approved Agreement No. 91, modifying tolls and admeasurement regulations.

The provisions set forth in said Agreement establish the execution of adjustments or amendments to be included in the Regulations for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal.

The Administrator of the Authority has submitted to the consideration of the Board of Directors the draft Agreement containing the above-noted amendments.

**AGREES:**

**ARTICLE ONE:** The definition of Volume of Maximum Capacity (VMC) included in Article 2 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby eliminated.

**ARTICLE TWO:** The following definitions are added to Article 2 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal:

**“Full Container Vessel:** A vessel specifically designed or converted to transport containers above the upper deck and that has permanently affixed cellular guides in its holds. The Authority shall determine whether a vessel belongs in this category, taking into account the information provided by the ship.”

**“Vessels with the Capacity to Carry Containers Above the Upper Deck:** A vessel that is not classified as a full container vessel, but has the capacity to transport containers

above the upper deck. The Authority shall determine whether a vessel belongs in this category, taking into account the information provided by the ship.”

**“TEU (20-foot Container):** A unit of measurement or reference equivalent to a 20-foot container whose external length, width, and height measurements are 20, 8, and 8.5 feet, respectively. A TEU represents a volume equal to 1,360 cubic feet.”

**“TEU Allowance Below Deck:** The total container capacity in TEU that a full container vessel is able to carry in enclosed spaces, including those that may be transported in enclosed spaces above the upper deck. This capacity is determined by using the combination of the various sizes of the containers that maximize the volume of the space, expressing that volume in TEU units.”

**“TEU Allowance Above Deck:** The total container capacity in TEU that a vessel is able to carry in open spaces above the upper deck, not including those containers that may be carried in enclosed spaces above said deck. This capacity is determined by using the combination of the various sizes of the containers that maximize the volume of the space, expressing that volume in TEU units, which shall be adjusted to compensate for the visibility restriction of the Authority.

“For vessels with the capacity to carry containers above the upper deck, the TEU allowance above deck shall be calculated for purposes of administrative managing of the transit reservation system.”

**“Total TEU Allowance:** Is the sum of total allowable containers a vessel may carry in enclosed spaces below and above the upper deck (TEU allowance below deck) plus the total allowable containers that a vessel may carry above the upper deck (TEU allowance above deck).”

**“Number of TEU Carried During a Transit (NTT):** Is the product of combining the various sizes of containers carried in open spaces above the upper deck of vessels that are not full container vessels, but have the capacity to carry containers above the upper deck, maximizing the volumetric space, expressing such volume in TEU units according to the conversion table in Article 10. The Authority reserves the right to verify the NTT to ensure that this data complies with the degree of accuracy required by the Authority.”

**ARTICLE THREE:** Article 3 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is amended to read thus:

**“Article 3.** The following shall be subject to measurements:

1. The enclosed space below deck
2. The enclosed spaces above deck
3. The maximum capacity of the vessel to carry containers below and above the upper deck.”

**ARTICLE FOUR:** The title of Chapter II of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

**“Chapter II  
Determination of Net PC/UMS Tonnage and Total TEU Allowance”**

**ARTICLE FIVE:** Article 6 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

**“Article 6:** In addition to the requirements of the previous article, vessels with the capacity to carry containers shall provide plans, classification certificates, and documentation with sufficient information to determine TEU allowance below deck and TEU allowance above deck, as defined in article 2 of this Regulation.

“The information to which the preceding paragraph makes reference shall be obtained from the Cargo Securing Manual (CSM) and the General Arrangement Plan (GA), which shall indicate the total number of containers and their measurements. In the event these documents do not meet the accuracy guidelines acceptable by the Authority, the alternate method of admeasurement set forth in this Regulation shall be followed.

“All information referenced in this article and the preceding shall be submitted to the Boarding Officer of the Authority at the time the vessel is inspected.”

**ARTICLE SIX:** Article 7 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

**“Article 7:** Vessels that fail to provide the documentation required in the preceding articles shall be subject to inspection by the Authority to determine **V**, pursuant to the PC/UMS Net Tonnage or total TEU allowance, as set forth in this Regulation.”

**ARTICLE SEVEN:** Article 8 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

**“Article 8:** The Authority shall establish **V** to calculate the PC/UMS Net Tonnage; further, the Authority shall establish the values of TEU allowance below deck and TEU allowance above deck, as may be applicable.

“In calculating the PC/UMS Net Tonnage, TEU allowance below deck and TEU allowance above deck, the Authority may request and use complementary vessel information provided by the user or officials, persons or organizations authorized by national governments to undertake surveys, identify the capacity of containers that may be carried by the vessel, and issue national tonnage certificates. The information provided may be verified and corrected, if necessary, to ensure the accuracy required by the Authority.

“If the requested documentation is not provided, the user shall accept the figures resulting from the calculation by the Authority which, in its judgment, reflects V, TEU allowance below deck and TEU allowance above deck, as may be applicable.”

**ARTICLE EIGHT:** Article 9 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 9:** The tonnage of a vessel shall consist of the PC/UMS Net Tonnage, TEU allowance below deck and TEU allowance above deck, as may be applicable. These will be determined on the basis of the provisions set forth in this Regulation.

“The tonnage of novel types of vessels whose construction features make application of the rules unreasonable or impossible shall be determined in a manner that is acceptable to the Authority.”

**ARTICLE NINE:** Article 10 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 10:** PC/UMS Net Tonnage of vessels, except those subject to transitional relief measures or in the category of full container vessels as classified by the Authority, shall be calculated by the following formula:

$$\text{PC/UMS Net Tonnage} = K_4(V) + K_5(V)$$

“For all vessels classified by the Authority as full container vessels, the admeasurement shall be based on the total TEU allowance, which shall be calculated by the following formula:

$$\text{Total TEU allowance} = \text{TEU allowance above deck} + \text{TEU allowance below deck}$$

“To determine TEU allowance below deck, TEU allowance above deck, and NTT, as may be applicable, the following conversion table will be used.

SIZE	CALCULATION	EQUIVALENCE
20' x 8' x 8.5'	1360/1360	1.00 TEU
20' x 8' x 9.5'	1520/1360	1.12 TEU
40' x 8' x 8.5'	2720/1360	2.00 TEU
40' x 8' x 9.5'	3040/1360	2.24 TEU
45' x 8' x 9.5'	3420/1360	2.51 TEU
48' x 8' x 9.5'	3648/1360	2.68 TEU
54' x 8' x 9.5'	4104/1360	3.02 TEU

“Any container whose size is not listed in the preceding table shall obtain its equivalence using the same method of calculation.”

**ARTICLE TEN:** Article 11 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 11:** Transitional relief measure is understood as the special treatment granted to the vessels that have made a transit of the Canal between March 23, 1976, and September 30, 1994. It consists in freezing the tonnage according to the Panama Canal Net Tonnage System that was in effect up to September 30, 1994. This measure is applied to vessels as long as they have not undergone a significant structural change, as defined in article 12 of these Regulations. These vessels may be exempted from presenting the ITC 69 or any other certificate regarding its **V**.

“In these cases, the formula for determining the Panama Canal Universal Measurement System (PC/UMS) Net Tonnage is the following:

“PC/UMS Net Tonnage = Panama Canal Net Tonnage

“The transitional relief measure shall not apply to vessels classified by the Authority as full container vessels.”

**ARTICLE ELEVEN:** Article 13 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 13:** The full container vessels whose total TEU allowance has been calculated pursuant to article 10 shall maintain said total as long as they have not undergone a structural or documentation change affecting the total TEU allowance. In the event of a structural or documentation change affecting the carrying capacity of same, the total TEU allowance shall be determined pursuant to the provisions of said article.

“Vessels with the capacity to carry containers above the upper deck, whose TEU allowance above deck has been calculated as defined in this Regulation and which undergo structural or documentation changes affecting said TEU allowance above deck, shall be established using the conversion table in article 10.”

**ARTICLE TWELVE:** Article 16 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 16:** When the ITC 69 or suitable substitute or the necessary documentation to calculate **V** are not been presented, or when these documents do not meet the standards of accuracy acceptable by the Authority, the vessels will be measured to include the entire cubic contents of **V**, as is defined in this chapter.

“In the event the vessels classified by the Authority as full container vessels or vessels with the capacity to carry containers above the upper deck that have not submitted the Cargo Securing Manual and the General Arrangement Plan, their equivalents, or when these documents do not comply with the standards of accuracy acceptable to the Authority, the TEU allowance below deck and TEU allowance above deck, as may be applicable, shall be established using any other method acceptable to the Authority.”

**ARTICLE THIRTEEN:** Article 17 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 17:** The Authority shall endeavor to determine V, TEU allowance below deck and TEU allowance above deck, as may be applicable, as accurately as possible, on the basis of information available at the time of the calculation, using generally accepted methods for the space concerned and/or for determining allowable TEU within the parameters of accuracy acceptable to the Authority.”

**ARTICLE FOURTEEN:** Article 20 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 20:** Vessels for which TEU allowance below deck and TEU allowance above deck have been determined in accordance with the guidelines of article 16, may request the determination of a new admeasurement upon the presentation of a new and revised Cargo Securing Manual and a General Arrangement Plan or other pertinent, acceptable documents that will allow a recalculation of their allowable TEU.”

**ARTICLE FIFTEEN:** Chapter IV of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

**“Chapter IV  
Certificate of Admeasurement”**

**ARTICLE SIXTEEN:** Article 22 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 22:** The Authority shall provide each vessel or its representative or agent, the Certificate of Admeasurement, which shall be carried on board the vessel as proof that it has been inspected and measured.”

**ARTICLE SEVENTEEN:** Article 23 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

“**Article 23:** The Authority may correct the Certificates of Admeasurement when a difference in either V, TEU allowance below deck, or TEU allowance above

deck, as applicable, is found after examining the documents or inspection of the vessels.”

**ARTICLE EIGHTEEN:** Paragraph E of the Appendix to the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal is hereby modified, and shall read thus:

**E. DETERMINATION OF THE PC NET TONNAGE IN ACCORDANCE WITH THE UMS:**

“Explanation of the component of the formula used:

$$\text{PC/UMS Net Tonnage} = K_4(V) + K_5(V)$$

(a)  $K_4 = \{0.25 + [0.01 \times \text{Log}_{10}(V)]\} \times 0.830$

(b)  $K_5 = [\text{Log}_{10}(\text{DA}-19)] / \{[\text{Log}_{10}(\text{DA}-16)] \times 17\}$ .

If the number of passengers ( $N_1 + N_2$ ) is greater than 100 or DA is equal to or less than 20.0 meters, then  $K_5$  is equal to zero.

(c)  $V$  = Total volume of all enclosed spaces of the vessel in cubic meters and is identical to  $V$  as specified in the 1969 International Convention on Tonnage Measurement of Vessels.

(d) DA (Average depth) = The result of the division of the  $V$  by the product of the length in meters multiplied by the moulded breadth in meters.  $DA = V/(L \times MB)$ .

(e) L (Length) is defined as 96 percent of the total length on a waterline at 85 percent of the least moulded depth measured from the top of the keel, or the length from the fore side of the stem to the axis of the rudder stock on that waterline, if that be greater. In vessels designed with a rake of keel, the waterline on which this length is measured shall be parallel to the designed waterline.

(f) MB = Moulded breadth is defined in article 2.

(g)  $N_1$  = Number of passengers in cabins with no more than 8 berths.

(h)  $N_2$  = Number of other passengers.

(i)  $N_1 + N_2$  = Total number of passengers the vessel is permitted to carry as indicated in the vessel’s passenger certificate.”

**ARTICLE NINETEEN:** This modification shall take effect on May 1, 2005.

Given in the City of Panama on the thirtieth day of the month of March of 2005.

TO BE PUBLISHED AND ENFORCED

Ricaurte Vásquez M.

Diógenes de la Rosa

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Chairman of the Board of Directors

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Secretary