

October 6, 2004

MR'S ADVISORY TO SHIPPING No. A-48-2004 (Revision 1)

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – SEPTEMBER 2004

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	279
b. Pilots in Training	0
c. Tugs	24
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	32.67	44	22
Oceangoing Transits	32.23	42	22
Canal Waters Time (hours)	28.59	45.11	17.20
In-Transit Time (hours)	11.00	15.25	8.16

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80' Beam	349	11.63	36.09
Vessels 80' Beam and Over	<u>618</u>	<u>20.60</u>	63.91
Total of Oceangoing Transits:	967	32.23	
Vessels 100' Beam and Over	410	13.67	42.40
Vessels 900' Length and Over	100	3.33	10.34

Note: For the purpose of this report, the term "oceangoing transits" is equivalent to the number of locomotive transits.

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Large Vessels (beam 91' and over)	339	329	97.05
Regular vessels (beam < 91')	256	216	84.38

3. See next page for scheduled locks maintenance work and items of interest to the shipping community.
4. This advisory will be canceled for record purposes on October 31, 2004.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director



Scheduled Locks Maintenance Work:

UPDATED SCHEDULE OF LOCKS MAINTENANCE AND OUTAGES FOR FISCAL YEAR 2004						
Dates	No. of Days	Miraflores	Pedro Miguel	Gatun	Daily Transit Capacity	Status
Oct. 6 - 13*	8			Lane Outage	26 - 28	Confirmed

Transit Capacity: The normal capacity of the Panama Canal is 38 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 Transit Reservation System slots are fully utilized. Two-day lane outages have no significant impact on Canal vessel backlog, therefore are not normally included in this chart. 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.

* **CHANGE TO GATUN LOCKS LANE OUTAGE:** The outage scheduled for the EAST lane of Gatun Locks that was previously announced in MR'S ADVISORY TO SHIPPING No. A-47-2004 on September 29, 2004, has been shortened from 10 to 8 days. The Gatun Locks EAST lane will only be out of service from 0001 hours Wednesday, October 6, 2004, through 2359 hours Wednesday, October 13, 2004. On October 14 and 15, the EAST lane will be open for restricted transit, increasing the daily transit capacity by 20 percent, while scheduled maintenance on locks infrastructure is being completed. Relay operations will be conducted on the West lane during this 10-day period.

Item of Interest for the Shipping Community:

PANAMA CANAL SEES SUBSTANTIAL SURGE IN TONNAGE OF GOODS

The Panama Canal Authority (ACP) is moving more cargo through the Canal than ever before, nearing maximum capacity levels.

Twenty-four million Panama Canal/Universal Measurement System (PC/UMS) tons more transited through the Canal during fiscal year 2004, a 10-percent increase from fiscal year 2003. This marked increase was primarily attributed to a 12.5-percent rise in transits by Panamax-sized vessels, particularly containers.

“We’ve been working hard to improve our services, optimizing the Canal’s value and efficiency. This increase reflects our clients’ confidence in the Canal’s reliability. As the Canal makes every effort to increase capacity to match demand, we at the ACP are presented with great opportunities and challenges,” said ACP Administrator Alberto Alemán Zubieta. In FY2004, 592 more Panamax-sized vessels transited the Canal, compared to numbers reported for FY2003.

To increase the Canal’s capacity, the ACP has pursued an aggressive Permanent Modernization Program that includes deepening Gatun Lake, widening the Gaillard Cut, rehabilitating the locomotive tow tracks, among other projects. “To sustain growth levels at the Canal, it is imperative that we constantly undertake projects, improvements and process changes that allow us to enhance the all-water route’s value,” said Jorge Quijano, ACP Maritime Operations Director.

The ACP also reported an increase in total Canal revenue. The waterway, for the first time in 90 years, exceeded the one billion dollar mark in revenue.