On 13 January the Panama Canal Authority published Advisory to Shipping No.02-2020 announcing a series of measures in response to the low precipitation and the critical water levels of the two lakes that support the Canal operation.

A second Advisory No.03-2020 was published on 28 January with additional information pertaining to the water conservation measures and the specific actions that will be in place as of 15 Feb 2020.

The actions include:

- **Introduction of a Fresh Water charge.**
  
  This charge will consist of a fixed and a variable component: The fixed component is subject to vessel (LOA): USD $2,500.00 (125 to 200 FT LOA); USD $5,000.00 (200 to 300 FT LOA); and USD $10,000.00 (300 FT and over) and the Variable component is subject to daily lake level, ranging from 1% to 10% of vessel tolls.

- **Changes to the booking rules.**
  
  Beginning February 15, 2020, the booking fee for all slots allocated during Booking Periods 1, 1.a and 2, including the special period for passenger vessels, shall be paid in full no later than 48 hours after confirmation by the ACP that the slot has been awarded.

  Two additional slots will be offered through the auction process, one to supers and one to regular vessels, during the 3rd period only, in any booking condition in effect at the time. These slots will only be available once all the normal booking slots available for that date, for either supers or regulars, independent of each other, have been allocated.

- **Restrictions in Capacity and reduction in the number of booking slots.**

  An average of 30 lockages will be scheduled daily from February 15 to May 15 2020. Due to some water conservation measures already in place since October, the Canal has been limiting the daily lockages to around 35.

  Historically the Canal has dealt with water shortages through the reduction of the max allowable transit draft and not by limiting the number of lockages. The drastic reduction in the number of lockages is likely to generate long queues and significant delay. The intended 30 lockages per day is a combined number for the Neo and the Panamax locks. This means that the Panamax locks will only be handling around 20 lockages per day which is a similar condition to having one Lane closed during Maintenance work. The difference is that maintenance closures are programmed and limited to a maximum of 2 weeks whereas here we are looking at an extended period from Mid Feb to Mid May.
Beginning Saturday, February 15, 2020, and until further notice, the booking system will be operating under **Condition 1.a**. For the Panamax locks a total of 19 slots (13 Large-supers-Panamax and 6 regulars) will be on offer plus the additional 2 slots being offered through Auction. For the Neo Panamax locks a total of 8 slots will be on offer. Applications for reserved transits under this booking condition will be received beginning at 0900 hours, Wednesday, February 12, 2020.

**Pre-booking is highly recommended as it is anticipated that transit slots will be in extremely high demand considering the reduced number of daily lockages.**

- **Transit Itinerary Creation fee**

  A handling service fee will be applied to every transit itinerary at the time the itinerary is created for vessels with 38.1 meters (125 feet) LOA or more, as follows:

  - For vessels less than 27.74 meters (91 feet) in beam (regulars): $1,500 per transit itinerary.
  - For vessels between 27.74 meters (91 feet) and 32.62 meters (107 feet) in beam (supers, including Panamax plus): $5,000 per transit itinerary.
  - For vessels with beams of more than 32.62 meters (107 feet) (Neopanamax): $5,000 per transit itinerary.

  The above-mentioned fee shall be paid no later than 48 hours after confirmation by the ACP that the transit itinerary has been accepted. The fee will be deducted from the vessel’s tolls invoice once the vessel transits. If the vessel cancels the transit itinerary, this fee will not be refunded.

Panama, 31 January 2020