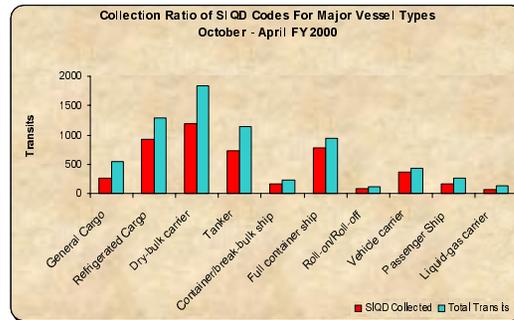




Collection process of customer data

The Panama Canal started collecting customer transit statistics in 1998, for the purpose of using this data as second tie-breaking mechanism to award booking slots in the event of a tie. This change was considered for implementation following numerous requests from Canal customers as a mean to improve the Canal Transit Reservation System (booking system). The data was to be obtained from the Ship Information Quarantine Declaration (SIQD) form (a source of data related to frequency of customer transits). In order to implement this criterion and, perhaps, elevate it in the future to become the first tie-breaking element, the Panama Canal Authority hopes to reach a 90% collec-



tion ratio. This is why it is important for all customers to provide the SIQD code whenever transiting the Canal. At the moment, the overall collection rate for the period of October, 1999 through April, 2000 is only 59%. For some vessel types, such as ve-

hicle carriers, full containerships, and Ro-Ro's, their collection ratio is very high. However, there are others, which collection ratio needs improvement to increase the reliability of the database to enable us to use it for the intended purpose. Changes to the tie-breaking rules expected to be implemented during this month will be postpone until the collection rate increases significantly.

The Canal urges all customers who do not have a code to request one by sending their company's physical, mailing, and e-mail address, as well as their telephone and fax numbers to smarucci@pancanal.com. Customers are reminded that registering their company is to their advantage, because in the event of a tie for a booking slot, the SIQD code will be the decisive tool to determine the customer with most transits and therefore, who receives the slot.

New COSCO service

China Ocean Shipping Company (COSCO) launched a new service, jointly operated with KLINE and YML, utilizing the Panama Canal. The Asia-U.S. East coast Express will deploy nine 3400 TEU vessels offering weekly services connecting Shanghai, Yantian and Hong Kong in China with New York, Norfolk and Charleston in the East Coast of the United States and Tokyo and Kobe in Japan via Panama Canal. This service officially started on the 21st of April with the Panama's registered M.V. YU GU He and the first transit through the Canal took place on May 19, 2000. Via the Panama Canal, this all-waterway service will shorten the delivery time between the Far East and the U.S. East Coast substantially. From Hong Kong to New York, the sailing time will be as short as 26 days. Mr. Song Qiming, Vice President, COSCO America and Representative of the New Container Line, AFY, and Captain Gu

The reception was attended by His Excellency, Arturo Vallarino, Vice-President of the Republic of Panama, His Excellency, Ricardo Martinelly, Minister of Canal Affairs, the Honorable Alberto Alemán Zubieta, Panama Canal Authority Administrator and the Honorable Jerry Salazar, Panama Maritime Authority Administrator and other members of the maritime community in Panama. The Canal is very pleased with this new COSCO service which will increase Canal transits significantly.



Upcoming conference

Mr. Alberto Alemán Zubieta, the Panama Canal Authority Administrator has been invited to address the 25th Annual Summer Ports, Waterways, Freight & International Trade Conference. This conference is sponsored by the Transportation Research Board (TRB) and it will be held at the Sheraton Norfolk Waterside Hotel in Norfolk, Virginia from July 16 to 19, 2000. Mr. Alemán's presentation, The Future of the Panama Canal in Global Trade, will be the lead-off session on Monday, July 17.

The Transportation Research Board (TRB) is a unit of the U.S. National Research Council. Its mission is to promote innovation and progress in transportation by stimulating and conducting research, facilitating the dissemination of information, and encouraging the implementation of research results.

of the Panama Canal and the ongoing improvement programs.



The A.P. Moller executives included Mr. Knud E. Stubbjaer, Partner; Michael V. Moller, Director, Corporate Secretariat; and Hans P. Moller, General Manager, Maersk-Sealand (a Division of A.P. Moller) Panama, S.A. They were provided a full briefing on the Panama Canal, the various trade routes served by the waterway, modernization and capacity enhancement projects and plans for the new century. Canal officials provided them with a tour of Miraflores Locks and the Locks Control House and they were later taken to the Canal's Marine Traffic Management Center to receive an overview on the process of sched-

uling and monitoring vessel traffic. A working lunch was held afterwards with top management of the Panama Canal Authority. The A.P. Moller executives had the opportunity of enjoying an over flight of the Canal giving them an excellent aerial view of the waterway as well as the improvements to Panama's maritime and transportation infrastructure. They landed in Colon on the Atlantic where they visited the Colon Free Zone facilities and the Manzanillo International Terminal Panama. On May 1, Mr. Tommy Thomsen, President and CEO of Maersk-Sealand in the United States, together with Mr. Hans Stig Moller, Managing Director of Maersk-Sealand in Panama also visited the Canal.

U.S. Congressmen from the House of Representatives Transportation Committee visited the Panama Canal on May 1, as they were concluding a tour of Latin America. Upon their arrival at Miraflores Locks they were taken to the Locks Control House where they had the opportunity to observe lockage operations and turn the levers that activate the locks valves and miter gates. The congressmen were subsequently given a full briefing on the Panama Canal, the various trade routes served by the waterway, capacity enhancement projects and plans for future expansion. The Congressmen expressed their appreciation to Canal officials and stated that they were very satisfied that the waterway was operating



Canal and TVA agreement

On May 3, of this year the Panama Canal Authority (ACP) and the Tennessee Valley Authority (TVA) signed a Memorandum of Agreement. This agreement will allow the ACP to obtain services from TVA in areas where each can share expertise and exchange experiences for the benefit of both agencies.

The Tennessee Valley Authority is a federal corporation, the largest producer of electric power in the United States, a regional economic development agency, and a national Environmental Research Center. TVA operates electric power plants, dams, and recreation

water quality. TVA went through a complete transformation several years ago to become the most efficient power-production corporation in the United States.

The Panama Canal and TVA will benefit from this relationship in areas such as corporate transformation, sustainable development of lake and river systems, watershed management, water quality, information management, electric power production, and corporate university. The agreement also demonstrates the mature posture and forward thinking of the Canal administration



smoothly and efficiently under the new Panama Canal Authority. They were also pleased by the commitment of the Canal's force, the high quality transit service and the magnitude of the Canal's ongoing maintenance programs.

Later in the evening Congressmen John J. Duncan, Jr., representing Tennessee's 2nd District and James L. Oberstar, of the Eighth Congressional District of Minnesota, held an interview with the local newspaper "El Universal" where they firmly reiterated their confidence in the administration, operation, maintenance, safety and security of the waterway.