



Calling on the experts

The ACP has commissioned the services of world-class consultant firms in the financial, legal, environmental, and project management areas, to guarantee that the project is carried out effectively.

- The Japanese Mizuho Corporate Bank, Ltd., one of the world's largest and most highly experienced banks, is providing advisory services that include: reviewing the financial aspects of the ACP's Master Plan and expansion proposal, providing strategic counsel on financing structures and strategies, and creating and implementing an integrated financial model.
- Shearman & Sterling LLP, a market leader in infrastructure financing, is the international legal advisor for the expansion's financing needs. This firm is working closely with the ACP and Mizuho Corporate Bank to determine the most advantageous financing options for the project.
- The environmental impact study for the expansion was prepared by URS Holdings, Inc. and was approved by the National Environmental Authority of Panama (ANAM).
- The ACP has also engaged the services of CH2M Hill, the number one program management firm in the United States. This company is assisting with the management of numerous expansion program contracts, including those for the design and construction of the two post-Panamax lock structures. CH2M Hill is designing and implementing a state-of-the-art Project Management Information System (PMIS) that will help manage and monitor all aspects of the expansion program.

The Panama Canal Expansion Project – our progress



Dry excavation work on Paraiso Hill

Expansion work formally commenced last September, when 32,000 pounds of explosives removed the top of Paraiso Hill, on the west lane of the Canal. Constructora Urbana, S.A. (CUSA), a leading Panamanian company with vast experience in civil construction projects, was awarded the first of five dry excavation projects. It is performing part of the dry excavation work for the creation of the access channel that will link the new Pacific Locks with the Gaillard Cut. CUSA has been tasked with the removal of 7.3 million cubic meters of material at the west side of the Canal. The second dry excavation contract was awarded to Cilsa-Minera Maria, a Mexican-Panamanian consortium.

Currently, the ACP is engaged in the process of drafting solicitation packages, reviewing bids and awarding expansion-related contracts. By the end of this year we will start the dredging of the Pacific entrance of the Canal and will continue with the pre-qualification process for the locks design/built contract. The dredging of Gatun Lake and the Gaillard Cut will start next year and the ACP workforce will complete that project to guarantee no disruptions in Canal traffic.

Economist Intelligence Unit holds Business Roundtable in Panama City

On October 23-24, 2007 the ACP and the Government of Panama participated in The Business Roundtable held in Panama City, Panama, organized by Economist Conferences, a division of The Economist Intelligence Unit (EIU). Conference attendees included senior government and business leaders from the maritime, financial, energy and logistic industries. Regional Director for Latin America for the EIU Justine Thody noted that Panama has enjoyed strong foreign capital inflows, which are likely to continue, thanks to the construction and real estate boom, the growing tourism and financial services sectors, and investment indirectly related to the Canal expansion.

During the session on the Panama Canal Expansion, ACP Board of Directors Chairman and Minister of Canal Affairs Dani Kuzniecky, ACP Administrator/CEO Alberto Alemán Zubieta and Coyne et Bellier's Executive Vice President for Strategy and Development Jean Binquet discussed the importance of the Canal's expansion as one of the main projects for the country's economic development. They highlighted the expansion's potential to strengthen Panama as a major international commercial and transportation corridor.



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Message from the Administrator

The holiday season is the ideal time to thank you, our customers, for utilizing the Panama Canal route over the last year and to update you on the progress of the Canal Expansion Project.

As you know, the Panama Canal Authority (ACP) has undertaken the \$5.25 billion expansion project to increase capacity and guarantee that the waterway continues providing a safe, reliable and efficient service to the maritime community. Earlier this year, Business News America named the expansion project the greatest infrastructure project of this decade and we are committed to deliver and exceed all expectations to provide you with the quality and timely service you have come to expect, in addition to greater capacity and state-of-the-art infrastructure.

The Canal expansion is also good for Panama. The project acts as a magnet for attracting investments to the country, as a result, the local logistics and transportation sector is experiencing tremendous growth. And today Panama offers the best connectivity in Latin America.



Alberto Alemán Zubieta

We are proud that the Canal expansion continues according to schedule, and we remain committed to 2014 as the inauguration date of new locks – coinciding with the 100th anniversary of the Panama Canal. Our success to date indicates that our future together is bright and we look forward to continuing our service to you in the years to come!

The Panama Canal Expansion Project – an overview



Location of the new locks

On October 22, 2006, the people of Panama overwhelmingly approved the expansion of the Panama Canal. The project entails building a third lane of traffic along the waterway through the construction of a new set of locks. The expansion will double the Canal's capacity to more than 600 million Panama Canal tons (PC/UMS) per year.

As part of the project, the Canal's entrances at the Atlantic and Pacific channels will be widened and deepened, as will the navigational channel at Gatun Lake. One lock complex will be located on the Pacific side, to the southwest of the existing Miraflores Locks. The other complex will be located to the east of the existing Gatun Locks.

In sum, the components of the expansion program include:

- 1 The deepening of the Pacific and Atlantic entrances of the Canal.
- 2 The deepening and widening of the navigational channels of Gatun Lake and deepening of the Gaillard (Culebra) Cut.
- 3 The construction of the new locks and water-saving basins in the Atlantic and Pacific.
- 4 Raising Gatun Lake to its maximum operational level.

The new locks will allow passage of vessels up to 49 meters (160 feet) wide, 366 meters (1,200 feet) long and 15 meters (50 feet) deep, with a cargo volume of up to 170,000 DWT or 12,000 TEUs.

Environmentally sound water-saving basins will be built alongside the new locks, which will reuse 60 percent of the water in each transit, preserving the freshwater resources along the waterway. The ACP is a signatory of the UN's Global Compact; therefore, all construction work is executed in accordance with world-class environmental standards and principles. Because all construction sites are outside of the existing channels and operating areas, expansion work will not interrupt traffic and no existing lanes will be closed; transit delays are not anticipated.

We want your comments

Your comments and suggestions are very important to us. If you need additional copies mailed to other officials within your corporation, please contact us at the address indicated in the next box.

for more information

Panama Canal Authority
Market Research & Analysis Office (ME)
P.O. BOX 526725 Miami FL. 33152-6725

Tel. (507) 272-7961
Fax. (507) 272-1416
e-mail: customerrelations@pancanal.com

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