



# PANAMA CANAL NEWS

August 2010

## Global leaders tour Panama Canal expansion site



In this picture from left to right: ACP Administrator/CEO Alberto Alemán Zubieta; Belize Deputy Prime Minister Gaspar Vega; Spain Vice President Manuel Chaves; Colombia President Álvaro Uribe; Panama Vice President Juan Carlos Varela; Italy Prime Minister Silvio Berlusconi; Panama President Ricardo Martinelli; Guatemala President Álvaro Colom; Honduras President Porfirio Lobo; Dominican Republic Vice President Rafael Albuquerque; Costa Rica Vice President Alfio Piva Mesén and Panama Minister for Canal Affairs Rómulo Roux.

Often labeled as one of the world's most important infrastructure projects underway this decade, a visit to the Panama Canal expansion site is atop many lists upon arriving in Panama. And the same rings true for Heads of State.

On June 30, the Panama Canal Authority (ACP) welcomed dignitaries from Belize, Costa Rica, Dominican Republic, Guatemala, Honduras, Italy and Spain to the Atlantic expansion site in Colón. The global leaders were given a VIP tour of the expansion site and briefed on the progress of the historic \$5.25 billion project, which moves forward as planned, and which will double capacity and allow for the traffic of longer and wider ships.

## Canal Expansion progress

One of the Expansion Project's major components is the creation of the access channel that will join the new Pacific Locks with the Gaillard Cut. This work was broken down into four phases awarded to different contractors. With the completion of the first two contracts, focus has been set on the last two parts of the project known as PAC-3 and PAC-4.

PAC-3, which is being executed by Costa Rica-based company Meco, S.A., has reported progress of 74 percent as of May 31, 2010. Work under the contract entails the excavation of nearly 8.2 million cubic meters of material, the further leveling of Paraiso Hill from 46 meters to its final 27.5 meters above sea level and the clearing of 190 hectares of munitions and explosives of concern (MEC) areas.

In May, the consortium ICA-FCC-MECO (in charge of PAC-4), began the execution of the first component of the project, which requires the clearing of 80 hectares of MEC areas. The consortium is deploying the heavy equipment required for the excavation of the nearly 26 million cubic meters of material assigned under the project. The most intricate part of this project is posed by the construction of the Borinquen dam, which will separate the waters of Miraflores Lake from the new channel.

In addition, progress has been achieved on the dredging of the Atlantic side entrance, which is being performed by Belgian giant Jan de Nul n.v. The company's hopper, clamshell and cutter suction dredges are performing cutting and dredging work on the Third Set of Locks approach channel and navigation channel.

On the Pacific, Belgian contractor Dredging International has already dredged 8.7 million cubic meters of underwater material, with 53% progress by the end of May.

On June 4, the ACP awarded Dredging International the contract to dredge a series of reaches north of Gatun Lake, the manmade lake that supplies water to the Panama Canal. The work consists on the widening and deepening of the existing navigation channel through the dredging of nearly 4.6 million cubic meters of material as part of the project to excavate some 30 million cubic meters of material from Gatun Lake and Culebra Cut (the narrowest section of the Panama Canal). This dredging project is another integral element of the Canal's Expansion Program, and was awarded at a cost of \$39,983,822.82.

The work for the design and construction of the new locks is being performed by consortium Grupo Unidos por el Canal, formed by Sacyr Vallehermoso, Impregilo S.p.A., Jan de Nul n.v., and Constructura Urbana, S.A. The consortium is working day and night on the project and has already excavated the first million cubic meters of material from the Atlantic site.

## New Canal Pricing Structure

On June 15, after concluding a public consultation and hearing process that began on April 27, the Cabinet Council of the Republic of Panama approved a proposal to modify the Panama Canal pricing structure, following a recommendation from the Panama Canal Authority (ACP) Board of Directors.

The ACP received twelve comments from nine interested parties during the 30-day consultation period. All the comments were carefully evaluated by the Committee in charge of the process, and as a result it was decided to delay the implementation date for the reefer segment (for the portion applicable to PC/UMS tons) to April 2011 in consideration of the comments received on the seasonality of the trade. The new tolls structure for all Canal segments is as follows:

			2011					
Market Segment		Present Tolls	Proposed Tolls					
			Effective 1st of					
<b>TEU Toll</b>								
Full Containers	Laden	72.00	January	Capacity	74.00			
				Container with cargo	8.00			
				Container w/o cargo 2/	-			
	Ballast	57.60		Ballast	65.60			
On-Deck Container Toll in other vessels	Laden	72.00	January	82.00				
<b>Tolls per Berth</b>								
Passenger Vessels 1/	Laden	120.00	January	134.00				
	Ballast	96.00		108.00				
<b>Tolls per PC/UMS Ton</b>								
		1st 10K	2nd 10K	Rest	Effective 1st of	1st 10K	2nd 10K	Rest
General Cargo	Laden	3.90	3.82	3.76	January	4.41	4.32	4.25
	Ballast	3.10	3.03	2.98		3.53	3.46	3.40
Refrigerated Cargo	Laden	3.80	3.72	3.65	April	4.29	4.20	4.12
	Ballast	3.01	2.95	2.90		3.43	3.36	3.30
Dry Bulk	Laden	3.73	3.65	3.59	January	4.38	4.23	4.16
	Ballast	2.96	2.90	2.85		3.50	3.38	3.33
Tankers	Laden	3.98	3.92	3.85	January	4.46	4.39	4.31
	Ballast	3.18	3.11	3.05		3.57	3.51	3.45
Vehicle Carriers	Laden	3.87	3.79	3.72	January	4.33	4.24	4.17
	Ballast	3.07	3.01	2.95		3.46	3.39	3.34
Passenger Vessels 1/	Laden	3.95	3.87	3.80	January	4.42	4.33	4.26
	Ballast	3.14	3.07	3.02		3.54	3.46	3.41
Others	Laden	4.12	4.04	3.97	January	4.61	4.52	4.45
	Ballast	3.27	3.20	3.15		3.69	3.62	3.56
<b>Tolls per Displacement Ton</b>								
Displacement		2.28		January	3.02			

1/ Vessels above 30,000 gross tons (GRT) and whose PC/UMS tonnage divided by maximum passenger capacity. (PAX-ITC) ratio is less than 33, shall pay tolls on a per berth basis. If such a ratio is greater than 33, tolls shall be paid on the basis of PC/UMS.

2/ Containers without cargo will continue to be charged as part of the total vessel capacity.

The new tolls are the result of previous discussions with industry representatives and shipping lines. The ACP listened to their feedback and, in view of the world economic situation, decided not to proceed with a tolls adjustment in 2010 and set January 1, 2011 as the new date for implementing the tolls for all segments

## BAPLIE required for all full containerships

The new pricing structure that has been adopted for full containerships includes a change in the way tolls are calculated, with a slight price adjustment to the capacity charge, and an additional new charge that will apply only to the number of loaded containers aboard the vessel at the time of transit. This change was incorporated at the request of the container segment and it will add transparency to the structure and align it more with the way the segment operates.

Effective July 1, 2010, all full container vessels arriving at Panama Canal waters for transit will be required to submit their BAPLIE file (Bayplan/stowage plan occupied and empty locations message) prior to arrival, in addition to the cargo declaration.

Full container vessels docking at any port located at the terminal ends of the Panama Canal prior to transiting the Canal, are required to provide an updated BAPLIE file no later than four hours after departing the dock. This includes the port of Balboa, Cristobal and Manzanillo.

The BAPLIE documentation is a vital element in determining the number of loaded and empty containers carried onboard a vessel at the time of transit. Questions or comments regarding BAPLIE may be sent to [baplie@pancanal.com](mailto:baplie@pancanal.com).

### 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

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