From: C. Fernie & Co S.A.

January 28th 2020

**REF: WATER CONSERVATION STRATEGIES AT THE**

**PANAMA CANAL - DRAFT SITUATION**

Further to the attached advisory, the Panama Canal Authority held a seminar this

morning,  where they provided us with details of the modifications being made to

the Water Conservation Strategies as indicated in their last advisory (ADV-02-2020),

as follows:

The Canal Authority states that these additional Water Conservation Strategies are

meant to guarantee 44-00 FT (13.41m) drafts for the Neopanamax locks and the

current 39ft 06in (12.04m) drafts for the Panamax locks from Feb 15th through

to May 15th, 2020.

Fresh Water fixed surcharge will be subject to vessel (LOA): USD $2,500.00 (125.00ft

to 199.99ft  LOA); USD $5,000.00 (200ft to 299.99ft LOA); and USD $10,000.00

(300ft LOA and over).

Fresh Water variable surcharge will remain, subject to daily levels of Gatun lake, and

ranging from 1% to 10% of vessel Canal tolls during the 90-day dry season  (Feb 15

to May 15 2020).

- With the level Gatun lake currently at 83.53ft we expect the lake level to drop to

  approx 83.00ft by the implementation date (Feb 15th) on which basis the variable

  surcharge will be 3.54% according to the table in the attached advisory.

The Fresh Water surcharge is here to stay although the Canal Authority will evaluate

to what capacity following the 2020 dry season; Canal Authority will fund Fresh Water

infrastructure projects by means  of this surcharge in the medium and long term.

The Canal Authority is working on a platform that will allow 60-day real-time projection

on Gatun Lake  level.

- More details to come in due course

The booking system will see 27 booked vessel maximum per day (under Condition 1.a),

with an additional two (2) auction slots (one for "supers" (vsls with beams greater or

equal to 91ft) and one for "regular" vsls (vsls with beams less than 91ft) during the

3rd Booking Period (3 to 2 days prior requested transit date), for a total of 30 lockages

planned daily for Canal transits during the projected dry season (Feb 15 to May 15)

Once vsls have had their transit pre-booked we have 48 hrs to receive and place the

required funds with the Canal Authority otherwise the booking slot will be voided and

the vsl will return to non-booked status.

ETA Charges: Once a visit has been created for Canal transit, we understand, there will

not be penalties for changes to vessel ETA for now (unless there is a visit cancellation)

Vessel ETA handling fee charge (applicable for Canal transits, not local calls) will remain

as follows USD $1,500.00 (125 FT LOA, but less than 91 FT beam) & USD $5,000.00

(91 FT beam and over).

The above-mentioned 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.

Best regards

|  |  |
| --- | --- |
| C. Fernie & CO. S.A.   | **Charles "Andre" Perret** *, Manager P&I Department*Tel: (507) 211-9488 | Fax: (507) 211-9450 | Mobile: (507) 6617-3229ferniepi@cfernie.com | [www.cfernie.com](http://www.cfernie.com)as Agents only |