

Dr Ricaurte Vásquez Morales
CEO/Administrator
Panama Canal Authority
Balboa, Ancon
Republic of Panamá

17 March 2021

Dear Dr Morales,

RE: PANAMA CANAL CHANGES IN FEES FOR TRANSIT RESERVATION AND OTHER MARITIME SERVICES (OMS)

Thank you for your letter of 17 February detailing the changes in fees for both the Panama Canal's transit reservation system and Other Maritime Services (OMS). ICS, ASA and ECSA appreciate the ongoing communication between the ACP and the industry concerning any changes in the fees applied for transit of the Panama Canal, and are grateful for your continued transparency in this matter.

As regards the new increases related to transit reservation fees, we note with concern the significant increases in charges payable for selected vessel types. These proposed changes represent a minimum cost increase of \$20,000 (an increase of 57% per transit reservation), and a maximum cost increase of \$58,500 (reflecting an increase of 167%). This represents a substantial sum, especially when taking into account the ongoing economic impact of the COVID-19 pandemic on the shipping industry.

We understand that the justification for the significant increases referred to above is to adapt to changing supply and demand conditions for the service. We agree that this is an important issue to address. On this matter, we have received reports from our Members regarding the ongoing congestion issues at the Neopanamax locks, particularly concerning an increase in transit of LNG vessels, an issue which remains a serious concern for industry stakeholders.

We appreciate that the ACP and industry must work together to resolve these congestion issues at the Neopanamax locks, and that it is possible that these fee increases are designed in part to help remedy this issue. However, given the substantial nature of these increased charges, we would like to take this opportunity to request a comprehensive overview of the ACP's long-term strategy to adapt to supply and demand conditions, including mitigating these congestion issues. We would be pleased to engage in a productive dialogue on this ACP plan as soon as possible.

Furthermore, given the substantial nature of the increase in cost and the implications of this for ships transiting the canal, we would respectfully suggest that such an alteration to the transit reservation fees warrants a minimum of 3 months' notice in order to ensure that industry can fully prepare for the cost increase.

Finally, we respectfully contend that the rationale behind the changes in OMS fees has not yet been adequately provided. Indeed, previous alterations to OMS charges (in particular Shipping Advisory circulars [A-05-2008](#) and [A-05-2006](#)) have been justified by increases in prices for fuel, labour and supplies, as well as for locomotive maintenance and depreciation. We would therefore ask that the justification for this most recent increase in OMS charges is further clarified, so as to allay any concerns regarding the transparency of the decision made.

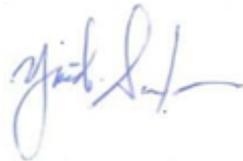
Once again, we are grateful to the ACP for their ongoing communication with industry on these important matters and appreciate the dialogue which has been established. In order to capitalise on this dialogue, we would like to propose a virtual meeting, at your earliest convenience, to further discuss the matters raised in this letter, and other issues of mutual interest to the ACP and the global shipping industry.

On behalf of the global shipping industry, ICS, ASA and ECSA thank the ACP in advance for giving our comments, requests and suggestions their due consideration, and look forward to a response at your earliest convenience.

Yours sincerely,



Mr Guy Platten
Secretary General
ICS



Mr Yuichi Sonoda
Secretary General
ASA



Mr Martin Dorsman
Secretary General
ECSA