



CANAL DE PANAMÁ



**PROPOSAL  
TO MODIFY  
THE PANAMA CANAL  
TOLLS SYSTEM AND  
THE REGULATIONS FOR THE  
ADMEASUREMENT OF VESSELS**

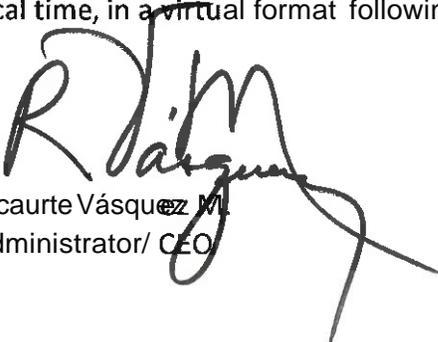
SEPTEMBER 2021



### Message from the Administrator/CEO of the Panama Canal

The Panama Canal Authority Board of Directors approved a proposal that modifies the Panama Canal toll structure and admeasurement regulations for passenger ships. Once the process is completed, the modifications will go into effect on February 1, 2022. The proposal eliminates tolls on a per berth basis and reinstates tolls based on PC/UMS (Panama Canal Universal Measurement System) capacity.

With the publication of this proposal, the public consultation period opens until October 1, 2021 at 4:15 p.m. local time. The public hearing is scheduled for October 5, 2021 at 9:00 a.m. local time, in a virtual format following health and safety protocols.



Ricaurte Vásquez M.  
Administrator/ CEO

## **CONTENT**

I. Background.....	1
II. Rationale of the proposal .....	1
III. Proposal.....	2
IV. Implementation.....	3

## **ANNEXES**

Annex A - Panama Canal Record .....	4
Annex B - Legal references .....	12
Annex C – Impact analysis by market segment.....	38

# PROPOSAL TO MODIFY THE PANAMA CANAL TOLLS SYSTEM AND THE REGULATIONS FOR THE ADMEASUREMENT OF VESSELS

## I. BACKGROUND

On April 14, 2015, under Resolution No.36, the Cabinet Council of the Republic of Panama approved the latest modification to the toll structure of the Panama Canal Authority (ACP) regarding passenger vessels, which entered effective on April 1, 2016.

This tolls modification of the passenger vessels included changes to the structure and the inclusion of new tariffs for this segment given the changing demand for the route, as well as the prospects for the operations of the neopanamax locks.

The current tariffs and tolls structures for the passenger vessels segment, proposed to be modified are the following:

**Table No. 1**

Tolls - Passenger Vessels effective April 1, 2016							
Market Segment		Panamax locks			Neopanamax locks		
		Tariff per berth					
Passenger Vessels 1/	Laden	\$138.00			\$148.00		
	Ballast	111.00			119.00		
		Tolls per PC/UMS					
		Panamax locks			Neopanamax locks		
		1st	Next	Rest	1st	Next	Rest
		10K	10K		10K	10K	
Passenger Vessels 1/	Laden	\$4.75	\$4.65	\$4.58	\$5.08	\$4.98	\$4.90
	Ballast	\$3.81	\$3.72	\$3.67	\$4.07	\$3.98	\$3.92

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

## II. RATIONALE OF THE PROPOSAL

### 1. The Panama Canal price policy and the economic criteria that serve as its basis:

- Tolls will be established so that they reflect the value provided by the Canal to its users.
- Tolls will be set so that their relative value is maintained over time and will be periodically adjusted for inflation.
- Tolls will be established at appropriate levels to always uphold the competitiveness of the Panama route and to reach a profitability level in accordance with the risk levels, investment amounts and the value added by the Canal to its users. Thus, payments to

the National Treasury and the benefits to Panama could be increased in a sustainable manner.

## **2. Value of the route for the passenger vessel segment**

Over time, segmentation has allowed the development of segment-specific value propositions and, for passenger vessels, as is the case with the tariff by maximum berth capacity (PAX), currently in effect at the moment of publication of this proposal. At the time, these changes were made after multiple approaches with customers of the segment and in consultation with the industry.

The value of the route through Panama lies both in the competitiveness of the Canal, the connectivity and value-added benefit of the various elements that comprise the transportation and logistics hub of the country. In the case of this segment, Panama offers tourist attractions such as the Canal, historical sites, ecological allures in both vegetation and wildlife, nightlife, and a shopping center. Also, air connectivity represents an added value for tourism development in the country, which, in complement to the Canal route, represent advantages for the establishment of home ports.

### **III. PROPOSAL**

The proposed adjustments will benefit the passenger vessels segment. In addition, the corresponding modifications in the admeasurement rules are proposed.

The proposed modifications will ensure that the Canal competitiveness is maintained, while adapting to the current market situation, thereby allowing the Canal to continue providing a safe, reliable, and efficient service to world trade.

#### **1. Proposed tolls modifications to passenger vessels**

This modification standardizes the tolls unit by PC/UMS (Panama Canal Universal Measurement System) tonnage capacity for all passenger vessels seeking to use a single unit, to provide transparency and less complex structure for customers and the Panama Canal.

This modification eliminates the tolls unit by maximum berth capacity and standardizes the tariff based on PC/UMS tonnage capacity depending on the locks, tonnage range and loading condition (laden or ballast).

The current tariffs implemented since April 1, 2016, will remain unchanged considering the difficult conditions affecting the cruise industry due to the COVID-19 pandemic. The new proposed tolls modification to passenger vessels will be effective February 1, 2022.

See table No.2. presented as follows,

**Table No. 2  
Proposed structure and tariffs**

<b>Tolls - Passenger Vessels effective February 1st, 2022</b>							
<b>Market Segment</b>		<b>Tolls per PC/UMS</b>					
		<b>Panamax locks</b>			<b>Neopanamax locks</b>		
		<b>1st</b>	<b>Next</b>	<b>Rest</b>	<b>1st</b>	<b>Next</b>	<b>Rest</b>
		<b>10K</b>	<b>10K</b>		<b>10K</b>	<b>10K</b>	
<b>Passenger Vessels</b>	<b>Laden</b>	<b>\$4.75</b>	<b>\$4.65</b>	<b>\$4.58</b>	<b>\$5.08</b>	<b>\$4.98</b>	<b>\$4.90</b>
	<b>Ballast</b>	<b>\$3.81</b>	<b>\$3.72</b>	<b>\$3.67</b>	<b>\$4.07</b>	<b>\$3.98</b>	<b>\$3.92</b>

The following examples are included to facilitate a better understanding of the application of the proposed tariff:

- A laden panamax passenger ship of 45,800 PC/UMS tons, with a maximum berth capacity of 1,840, would pay \$212,164
  - $\$4.75 \times 10,000 = \$ 47,500$
  - $\$4.65 \times 10,000 = \$ 46,500$
  - $\$4.58 \times 25,800 = \$118,164$
  - TOTAL = \$212,164**
  
- A laden panamax passenger ship of 78,000 PC/UMS tons, with a maximum berth capacity of 2,800, would pay \$359,640
  - $\$4.75 \times 10,000 = \$ 47,500$
  - $\$4.65 \times 10,000 = \$ 46,500$
  - $\$4.58 \times 58,000 = \$265,640$
  - TOTAL = \$ 359,640**
  
- A laden neopanamax passenger ship of 92,500 PC/UMS tons, with a maximum berth capacity of 3,600, would pay \$455,850
  - $\$5.08 \times 10,000 = \$ 50,800$
  - $\$4.98 \times 10,000 = \$ 49,800$
  - $\$4.90 \times 72,500 = \$ 355,250$
  - TOTAL = \$ 455,850**
  
- A laden neopanamax passenger ship of 141,940 PC/UMS tons, with a maximum berth capacity of 5,909, would pay \$698,106
  - $\$5.08 \times 10,000 = \$ 50,800$
  - $\$4.98 \times 10,000 = \$ 49,800$
  - $\$4.90 \times 121,940 = \$597,506$
  - TOTAL = \$698,106**

#### **IV. IMPLEMENTATION**

Proposed adjustments and modifications will become effective on February 1, 2022.

*This English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original Spanish version. In those cases where differences may be found between the two, the Spanish document must be considered as the official version.*

**AGREEMENT No. 384  
(of August 26, 2021)**

"Whereby the proposal to modify the Panama Canal Tolls system and the rules of admeasurement for the use of the Panama Canal is approved"

**THE BOARD OF DIRECTORS  
OF THE PANAMA CANAL AUTHORITY**

**WHEREAS:**

In accordance with article 319.2 of the Republic of Panama Political Constitution, and article 18.3 of the Panama Canal Authority Organic Law (No. 19 of June 11, 1997), the Panama Canal Authority Board of Directors is responsible for establishing the tolls, rates, and fees for the use of the Canal and related services, subject to final approval of the Cabinet Council.

The Panama Canal Authority Administration has submitted for consideration of the Board of Directors a proposal to modify the Panama Canal tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal, which is enclosed to be part of this Agreement.

The proposal for modification submitted by the Administration contains a justification of the reasons and factors taken into consideration for its formulation, in accordance with the provisions of the Panama Canal Authority Agreements issued by the Board of Directors for this purpose:

- Agreement No. 3 of November 12, 1998, which regulates the Procedure to Revise the Panama Canal Tolls Rates and Rules of Admeasurement, modified by Agreement No. 127 of January 19, 2007.
- Agreement No. 4 of January 7, 1999, which regulates the establishment of tolls, rates, and fees for the transit of vessels through the Canal, and the rendering of related services and complimentary activities, modified by Agreements No. 58 of August 16, 2002, No. 94 of March 30, 2005, No. 141 of June 21, 2007, No. 220 of November 25, 2010, No. 269 of October 30, 2014, No. 295 of May 26, 2016, No. 316 of September 28, 2017, No. 359 of December 20, 2019, and No. 382 of April 22, 2021.
- Agreement No. 358 of December 20, 2019, by which the Regulation for the Admeasurement of Vessels to assess Tolls for the use of the Panama Canal is subrogated.

Article 79 of the Organic Law prescribes that the Panama Canal Authority shall give interested parties an opportunity to participate in the consultation processes for the purpose of revising tolls and admeasurement rules by submitting, in writing, data, opinions, or arguments, and participating in a public hearing to be held at least 30 days after the date of publication of a notice in the official publication of the Authority in which said hearing is called.

The Board of Directors of the Panama Canal Authority agrees with the contents of the submitted modification proposal, and considers that it should be processed appropriately, pursuant to the applicable law and regulations.

**AGREES:**

**ARTICLE ONE:** To approve the proposal submitted by the Panama Canal Authority Administration to modify the Panama Canal Tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal, which is enclosed to be part of this Agreement.

**ARTICLE TWO:** To order the initiation of the consultation and public hearing process established by the Organic Law, through publication in the Panama Canal Record of the notification of the proposal, which is enclosed to be part of this Agreement.

**ARTICLE THREE:** To appoint the following members of the Board of Directors as members and officers of the Committee that shall conduct the consultation and public hearing process:

Ricardo M. Arango	Chairman
Nicolás González Revilla	Vice chairman
Lourdes Castillo	Member
Jorge González	Member
Enrique Sánchez	Member

**ARTICLE FOUR:** To designate Mr. Ricaurte Vásquez M., Administrator, Panama Canal Authority, as Secretary of the Committee that will conduct the consultation process and public hearing.

**ARTICLE FIVE:** This Agreement will take effect as of the date of its publication in the Panama Canal Record.

**AUTHORITY:** Article 319 of the Republic of Panama Political Constitution; articles 9, 18, and 79 of Law 19 of June 11, 1997, Panama Canal Authority Organic Law; and Panama Canal Agreements Nos. 3, 4, 58, 94, 127, 141, 220, 269, 295, 316, 358, 359 and 382 issued by the Panama Canal Authority Board of Directors.

Given in the City of Panama, on the twenty-sixth (26) day of August, two thousand and twenty-one (2021).

**TO BE PUBLISHED AND ENFORCED.**

Alberto Vallarino

Rossana Calvosa de Fábrega

---

Chairman of the Board of Directors, ad hoc

---

Secretary

# **PROPOSAL TO MODIFY THE PANAMA CANAL TOLLS SYSTEM AND THE RULES OF ADMEASUREMENT OF VESSELS FOR THE USE OF THE PANAMA CANAL**

## **THE BOARD OF DIRECTORS OF THE PANAMA CANAL AUTHORITY**

### **ANNOUNCES:**

#### **1. PROPOSAL TO MODIFY THE PANAMA CANAL TOLLS SYSTEM FOR PASSENGER VESSELS AND THE RULES OF ADMEASUREMENT OF VESSELS FOR THE USE OF THE PANAMA CANAL.**

During an ordinary meeting, the Board of Directors of the Panama Canal Authority approved Agreement No. 384 of August 26<sup>th</sup>, 2021, whereby the proposal to modify the Panama Canal tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal is approved, the initiation of the consultation and public hearing process established by law is ordered, the members of the Board of Directors of the Panama Canal Authority's Committee that shall conduct the consultation and public hearing are designated, and the Secretary of the aforementioned Committee is appointed.

Agreement No. 384 of August 26<sup>th</sup>, 2021 contains as an integral part of it, the proposal to modify the Panama Canal tolls system and the rules of admeasurement of vessels for the use of the Panama Canal, which will be available to the interested parties as of the date of this publication.

#### **2. ESSENCE OF THE PROPOSED CHANGE.**

The Panama Canal Authority proposes to establish and standardize for all passenger vessels the toll calculation based on PC/UMS tonnage capacity (Panama Canal / Universal Measurement System) and to eliminate maximum berth capacity (PAX) as the unit of measurement.

In addition, the proposed changes to the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal are presented for its update in accordance with the proposal to modify the toll structure for passenger vessels and other aspects such as the consideration of the "in ballast" condition.

##### **2.1. Proposed modifications to the tolls structure for passenger vessels.**

The Panama Canal Authority proposes the modification of the tolls system for passenger vessels (see enclosed table on item 1 of this section), establishing PC/UMS tonnage capacity as the single billing unit for this market segment, considering the lock type, tonnage ranges and loading condition (laden or ballast). The proposal unifies the billing unit, without adjusting current tariffs, as not to impact the passenger ship industry which has suffered from the adverse effects of the COVID-19 pandemic that has extended for more than 18 months. The objective is to maintain a standardized and simplified tolls structure for joint benefit of the Panama Canal and its customers.

**1. Proposed toll modifications to the passenger vessel segment.**

Elimination of maximum berth capacity (PAX) as the billing unit and as a replacement, establish PC/UMS as the unique billing unit. This proposal will maintain current PC/UMS tariffs, approved in May 2015, and implemented on April 1, 2016.

<b>Tolls - Passenger Vessels effective February 1st, 2022</b>							
<b>Market Segment</b>		<b>Tolls per PC/UMS</b>					
		<b>Panamax locks</b>			<b>Neopanamax locks</b>		
		<b>1st</b>	<b>Next</b>	<b>Rest</b>	<b>1st</b>	<b>Next</b>	<b>Rest</b>
		<b>10K</b>	<b>10K</b>		<b>10K</b>	<b>10K</b>	
<b>Passenger Vessels</b>	<b>Laden</b>	<b>\$4.75</b>	<b>\$4.65</b>	<b>\$4.58</b>	<b>\$5.08</b>	<b>\$4.98</b>	<b>\$4.90</b>
	<b>Ballast</b>	<b>\$3.81</b>	<b>\$3.72</b>	<b>\$3.67</b>	<b>\$4.07</b>	<b>\$3.98</b>	<b>\$3.92</b>

**2.2 Proposed modifications to the rules of admeasurement of vessels.**

- Proposed changes to Article 2 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal:
  - Include definitions for cable ships and fishing vessels.
  - Change the definition of passenger vessels according to the proposed modifications to their toll system.
- Proposed changes to Articles 3, 5, 7, 8, 9, 10, 12, 15, 16, 19 and 25 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal:
  - Replace the billing unit of Maximum Berth Capacity (PAX) with PC/UMS tonnage for the passenger segment.
  - Modify the text of certain rules for admeasurement related to passenger vessels in which the term "berths" is replaced by "PC/UMS".
  - Modify the text of certain articles of the rules for admeasurement so that the vessel retains its status in ballast, included in the chapter on final provisions:
    - Cable ships can carry up to a maximum of 50 metric tons (MT) of cable, provided that the cable is in pieces intended to be used to thread the machinery and not to generate revenue.
    - Salt, which is usually transported by fishing vessels when they are in ballast condition, exclusively for the vessel's own use.
    - Amend article 25, point 1, to eliminate duplication related to carrying cargo for the operation of the ship or for the use or consumption on board by its crew.
  - Modify the text in the chapter of the Admeasurement Certificate, to define the personnel who perform the admeasurement.

### **3. IMPLEMENTATION OF PROPOSED CHANGES.**

**3.1.** The proposed adjustments of tolls for the passenger vessel segment, as well as the rules for admeasurement will be effective February 1<sup>st</sup>, 2022.

### **4. INVITATION TO PARTICIPATE IN THE CONSULTATION AND PUBLIC HEARING.**

Interested parties are invited to participate in the consultation and public hearing of the proposal to modify the Panama Canal tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal, as follows:

**4.1. Public Consultation:** There will be a public consultation period that begins on the date of the publication of this notification and expires on October 1<sup>st</sup>, 2021, at 4:15 p.m., local time.

**4.2. Public Hearing:** A public hearing will be held on October 5<sup>th</sup>, 2021, as indicated in paragraph 7.

### **5. FORM OF PARTICIPATION OF THE INTERESTED PARTIES.**

The interested parties may participate in the consultation period and public hearing in accordance with the following rules:

**5.1.** As of the publication date of this notification, the consultation period is open, and the interested parties may present data, opinions, and statements in writing, in English or Spanish, which must be received by the Panama Canal Authority before the deadline of October 1<sup>st</sup>, 2021, at 4:15 p.m., local time.

**5.2.** All who have participated in the consultation process described above in paragraph 4.1 and 5.1 may participate in the public hearing, to be held on the date indicated in paragraph 4.2, directly or through their duly accredited representatives, provided that they have announced in writing, during the consultation period, their decision to participate in the hearing as a speaker. This announcement to participate as speaker must be sent to the addresses indicated in paragraph 6.4 of this notification and shall contain the name and address of the interested party and the capacity under which he/she shall present himself/herself. The announcement of participation as speaker in the public hearing must be received in writing by email to the address [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com), in English or Spanish, no later than October 1<sup>st</sup>, 2021, at 4:15 p.m., local time, and the recorded date and time of receipt of notification shall determine the order in which the interested party shall intervene in the public hearing.

## **6. REQUEST AND FORWARDING OF INFORMATION.**

- 6.1.** Persons interested may access an electronic copy of the proposal, both in Spanish and English, in the direct link: [www.pancanal.com/peajes](http://www.pancanal.com/peajes).
- 6.2.** Those interested in expressing their comments, opinions, information, or arguments during the consultation period, shall submit them in writing by email to the address [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com), in English or Spanish, before the date indicated in paragraph 4.1 of this notification.
- 6.3.** Those interested in participating in the public hearing as speakers must announce their decision in writing by email to the address [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com), in English or Spanish, before the date indicated in paragraph 4.1 of this notification.

Information sent via email, letters with comments or indicating intent to participate in the consultation period and / or public hearing as speaker mentioned in paragraphs 6.2 and 6.3 above, shall be submitted in “pdf”, “jpeg” or “png” format. Letters or information in the body of the email will not be considered.

Similarly, for each emailing of information, letters, or notification of participation in the public consultation and / or public hearing mentioned in paragraphs 6.2 and 6.3 above, the Panama Canal Authority will issue an electronic acknowledgment of receipt or response by email to confirm receipt of such information, letter, or notification of participation. If you do not receive this confirmation within two days of the original sending of the information, please forward to the address [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com).

Also, those interested in participating in the public hearing as speakers are requested to send a copy of the content of their presentation, if possible in advance of the date of the public hearing indicated in paragraph 4.1 of this notification, through email to the address [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com).

- 6.4.** Electronic Address (e-mail) to send the above-mentioned documentation indicated in paragraphs 4, 5 and 6 of this notification:

Email: [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com)

## **7. DATE AND TIME OF THE PUBLIC HEARING.**

- 7.1.** The public hearing shall be held on Wednesday, October 5, 2021, and will begin at 9:00 a.m. local time.
- 7.2.** The public hearing will be held in virtual format, whose link, instructions, and other logistical details to participate as a speaker will be distributed in a timely manner to those who have notified in writing their decision to participate in the public hearing as a speaker in accordance with the provisions of paragraphs 5.2 and 6.3 of this notification.
- 7.3.** Those interested in participating in the public hearing as listeners or to assist virtually may request the respective link and instructions for access to the email [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com) no later than the day indicated in paragraph 4.1 of this notification, as the end of the public consultation period.
- 7.4.** The methodology of the public hearing presented in this notification is based on compliance with the biosecurity measures implemented due to the COVID-19 pandemic.

## **8. PUBLIC HEARING PROCEDURE.**

The Board of Directors of the Panama Canal Authority has designated the following Board members as members and officers of the Committee that shall conduct the consultation and public hearing process (referred to from here on as the Committee):

Ricardo M. Arango	Chairman
Nicolás González Revilla	Vice chairman
Lourdes Castillo	Member
Jorge González	Member
Enrique Sánchez	Member

The Board of Directors of the Panama Canal Authority has appointed Mr. Ricaurte Vásquez M., Administrator of the Panama Canal Authority, as Secretary of the Committee.

- 8.1.** The Committee shall examine all the information that has been properly and timely presented, relative to the comments, data and information provided by the interested parties during the consultation period.
- 8.2.** The Committee shall commence the virtual public hearing on the established date and time indicated in this notification. The Chairman of the Committee shall inform the participants that the purpose of the public hearing is to listen to the arguments in favor or against the proposal.

- 8.3.** The Chairman of the Committee shall announce the order of participation of each speaker, in accordance with the provisions of paragraph 5.2 of this notification, and each one shall begin his/her presentation in that order.
- 8.4.** Participants as speakers in the public hearing shall be called upon individually to make their statements and express their points of view on the proposal, for a maximum of five minutes. The Committee shall analyze and decide on the appropriateness of extending this period of time as they deem convenient, on a case-by-case basis, and shall inform the participants of their decision. Presentations with visual aids, slides, “PowerPoint” or any other devices, shall not be allowed.
- 8.5.** The purpose of individual participation is merely expository; therefore, no debates or questions and answers shall be admitted between the members of the Committee and the participants, or between participants.
- 8.6.** The members of the Committee shall receive the testimony or statements of the interested parties in relation to the proposed modification. If possible, speakers are requested to send a copy of the content of their presentation, via email to [customerrelations@pancanal.com](mailto:customerrelations@pancanal.com).
- 8.7.** After the public hearing, the Committee shall analyze the documentation presented during the consultation period and the presentations of the participants during the public hearing, and shall submit a report to the Board of Directors of the Panama Canal Authority, within a reasonable time, of the proceedings and the pertinent recommendations.

**PANAMA, REPUBLIC OF PANAMA, AUGUST TWENTY SIX (26), TWO THOUSAND AND TWENTY-ONE (2021).**

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

## **ANNEX B. LEGAL REFERENCES**

### **Regulation on the Procedure to Revise the Panama Canal Tolls Rate and Admeasurement Rules (Approved by the Board of Directors of the Panama Canal Authority by Agreement No.3 of November 12, 1998; modified by Agreement No.127 of January 19, 2007).**

**Article 1.** Modifications to the Panama Canal admeasurement rules and the tolls rate shall be subject to a previous consultation and public hearing process, pursuant to this regulation.

**Article 2.** The proposal to revise [the tolls rate and the admeasurement rules] shall be opened to public consultation, and all interested parties may participate. Any proposal must be explained, with the inclusion of all the factors that would have been object of the revision by the Authority, for the effects of its issuance.

**Article 3.** The Authority shall make an official announcement of the proposal by means of its publication in the Panama Canal Register, with at least thirty (30) days in anticipation of the date of the public hearing.

**Article 4.** This Announcement shall contain:

1. The essence of the proposed change;
2. The date, place and procedures for receiving information and opinions, and participation in the hearing;
3. The date in which the interested parties must submit their notice of attendance to the public hearing.

**Article 5.** Following publication of the announcement, the Authority shall make available to the public the explained proposal referred to in Article 2 of this regulation.

**Article 6.** The Board of Directors shall designate a minimum of three of its members to form part of the Committee that shall conduct the process of consultation and hearings, and shall appoint one of its members to chair this Committee.

**Article 7.** The Committee shall apply this regulation, and its functions shall include the following:

1. Conduct the process of consultation and hearings;
2. Request or receive opinions, presentations or additional information;
3. Decide on procedural or similar matters;
4. Dispense with any irrelevant, immaterial, or excessively repetitive material expounded by the parties;
5. Dispense with any participant whose behavior interferes with the process of the hearing.
6. The Committee should submit to the Board of Directors the complete file of its activities, with the pertinent recommendation.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Article 8.** The interested parties shall have the opportunity to participate in the process of the admeasurement rules and tolls rate revision by submitting information, opinions, or statements in writing to the Chairman of the Committee, within the time limits established in the announcement.

The opinions, information and oral expositions that this regulation refers to may be in Spanish or English.

**Article 9.** The interested parties that have participated in the process of consultation shall also have the opportunity to participate in the public hearing. The hearing shall be held on the date and place prescribed by the announcement, and the parties in attendance may present additional information in writing on any material they have already incorporated, as well as make any statements or oral presentations concerning the admeasurement rules or the tolls rate, as appropriate.

**Article 10.** The hearing may be attended by the interested parties in person or by their representatives. They must give notice of their attendance in writing to the Chairman of the Committee within the time limits prescribed in the announcement of the hearing, and they must include the following information:

1. The names and addresses of the parties, and the condition under which they attend.
2. The place where they wish to make their presentation, if the hearings are scheduled to be held in more than one place.

**Article 11.** After considering the Committee's conclusions and recommendations, the Authority shall analyze the proposed admeasurement rules or tolls rate, as appropriate. However, in the case of tolls, if the rates proposed during the analysis are higher than the original proposal, the process shall be repeated. This requirement shall apply to any subsequent revision in which higher rates than those contemplated in the previous proposal are proposed.

**Article 11a.** Notwithstanding the dispositions of Article 11, in the case of proposals to revise tolls rates to be implemented in several phases or several years, and the Authority, considering the issues raised by participants during the hearing, considers pertinent of modify its original proposals, shall proceed to make the corresponding adjustments and grant an additional consultation period of no less than 15 calendar days starting on the date of publication of the modified proposal in the Canal Register, to afford the interested parties an opportunity to submit to the Authority, in writing, data, opinions, information, or arguments, regarding said proposal.<sup>1</sup>

**Article 12.** Any interested party may have access to the transcript of the presentations made in the hearing, provided they submit previous request thereto, and pay the costs established by the Authority.

**Article 13.** Changes to the tolls rate and admeasurement rules shall become effective on the date determined by the Board of Directors.

---

<sup>1</sup> Article introduced by Agreement No. 127 of January 19, 2007

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Regulation for the Admeasurement of Vessels to Assess Tolls for Use of the Panama Canal**  
**(Approved by the Board of Directors of the Panama Canal Authority by Agreement No. 358 of December 12, 2019.**

**Chapter I**

**General Standards and Definitions**

**Article 1:** These regulations establish the procedures and rules for the admeasurement of vessels, to assess the tolls to be charged by the Panama Canal Authority for the use of the Panama Canal, pursuant to its Organic Law.

**Article 2:** The words, expressions and acronyms used in these regulations shall have the following definitions:

**Appendix:** Complementary rules for the determination of the Panama Canal Universal Measurement System (PC/UMS) Net Tonnage, which is an integral part of these regulations.

**Tonnage by length overall:** It applies to vessels that, based on their length overall and PC / UMS Net Tonnage, pay according to the established minimum rates.

**Auxiliary ship:** Any vessel that is not a warship, owned or operated by a State and used, at that time, only in non-commercial government service.

**Vessel capable of carrying containers on the upper deck:** Vessel that does not belong to the container category, but with capacity to carry containers above the upper deck. The Authority shall determine whether a vessel belongs in this category or not, taking into consideration the information provided by the vessel.

**Container/Break bulk ship:** A vessel specially designed to carry containers and/or break bulk cargoes below deck. This type of vessel will typically have full width hatches and boxed holds for the carriage of break bulk cargo and/or containers and many are fitted with gantry cranes. This vessel has the ability to transport cargo on deck, some are designed with removable cells guides to transport containers under deck.

**General cargo:** A vessel designed to carry break-bulk general, palletized or dry cargo (individual items such as boxes, equipment and parts). Such cargoes are put in general holds with no specialization. It usually has multiple decks and facilities for loading and unloading cargo. This vessel has the ability to transport cargo on deck.

**Warship:** A vessel belonging to the naval forces of a State bearing the distinctive exterior insigne of warships of its nationality, under the command of an officer duly commissioned by the Government and registered in the Naval List and operated by a crew under naval discipline regularly.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Passenger vessels:** A vessel that principally transports passengers, and normally runs on fixed published schedules. Normally, this type of vessel is provided with accommodations for more than (12) passengers. Only those specifically designed for passenger transport will be eligible for the application of the per-berth tolls charge. Those passenger vessels that also carry other types of cargo will continue to be charged on the actual toll basis (PC/UMS tonnage).

**Liquefied Gas Carrier:** A cargo ship constructed or adapted and used for the carriage in bulk of any liquid gas or other product listed in the table of the corresponding chapter of the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk or the Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk (IGC Code). There are two types of gas carriers: the LPGs that transport liquefied petroleum gas and the LNGs, which transport liquefied natural gas.

**Dry bulk carriers:** A vessel designed to carry dry cargo in bulk (such as grains, coal, minerals, metals, fertilizers and wood products).

**Full Container ship:** A vessel specifically designed or converted to transport containers above the upper deck and that has cellular guides permanently affixed in its holds. The Authority shall determine whether a vessel belongs in this category, taking into account the information provided by the client.

**Vehicle carrier:** A vessel designed with multiple decks to carry cars, trucks and other wheeled or tracked (i.e. self-propelled) vehicles and whose decks are permanent and / or movable. The vessel is fitted with ramps which enable the vehicles to be driven on and off the ship.

**Chemical tanker:** A vessel built or adapted to carry in bulk any liquid product listed in the corresponding chapter of the IBC Code or BC Code, as appropriate.

**Refrigerated Cargo (“Reefers”):** A multi deck cargo vessel whose cargo spaces are predominantly designed for the transport of refrigerated cargo such as fruit, meat, and other food products across the sea at various temperatures. Includes cargo vessels with 80 % or more insulated cargo space.

**RoRo vessel:** A vessel specially designed to carry wheeled trucks, trailers or containers, and use the roll on-roll off method for loading and unloading using tractor vehicles in several decks with ramps or lifts.

**Crude/Product Tanker:** A vessel built or adapted to carry liquid bulk, mainly crude oil and petroleum products, among others.

**Maximum Draft:** Maximum allowable depth (in meters) to which the hull of a vessel must be immersed when fully loaded.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Cubic cargo capacity (M<sup>3</sup>):** Maximum cargo capacity of a vessel expressed in cubic meters.

**Maximum berth capacity (PAX):** Total number of berths available on a passenger vessel.

**Passenger Ship Safety Certificate:** Safety certificate issued to all passenger ships.

**International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk or Certificate of Fitness for the Carriage of Liquefied Gases in Bulk:** Certificate issued to all chemical carriers engaged in international voyages and complying with the relevant provisions of the IBC or IGC Code, as appropriate.

**International Tonnage Certificate, 1969 (ITC 69):** International Tonnage Certificate issued in accordance with the 1969 International Convention on Tonnage Measurement of Ships.

**Gas Carrier Code (GC Code):** The Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk, which is generally applicable to ships built after December 31, 1976, but before July 1, 1986.

**Bulk Chemical Code (BC Code):** The Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk, which is generally applicable to ships built on or after April 12, 1972, but before July 1, 1986.

**International Code on Intact Stability, 2008 (2008 IS Code),** The International Code on Intact Stability 2008 (2008 IS Code), presents mandatory and recommendatory stability criteria and other measures for ensuring the safe operation of ships, to minimize the risk to such ships, to the personnel on board and to the environment.

**International Gas Carrier Code (IGC Code):** The International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk, which is generally applicable to ships built after July 1, 1986.

**International Bulk Chemical Code (IBC Code):** The International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk, which is generally applicable to ships built after July 1, 1986.

**Upper Deck:** The uppermost deck exposed to weather and sea, which has permanent means of weathertight closing of all openings in the weather part thereof, and below which all openings in the sides of the vessel are fitted with permanent means of watertight closing.

In a vessel having a stepped upper deck, the lowest line of the exposed deck and the continuation of that line parallel to the upper part of the deck is taken as the upper deck.

**Summer displacement:** This is the total weight of the vessel in metric tons when it is loaded to its

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

summer draft consisting of the sum of the lightweight tonnage plus deadweight summer tonnage.

**Lightweight tonnage (Lightship):** This is the weight of a vessel in metric tons as the shipyard delivers it; that is, with no fuel, stores, food and crew on board.

**Fully loaded displacement:** The weight of the vessel in metric tons fully loaded with all stores, cargo, water, fuel, ammunitions, the weight of officers, and crew members as well as passengers, if any, and their belongings. This definition is applied only to vessels that pay tolls based on displacement.

**Enclosed spaces.** Those bounded by the vessel's hull, by fixed or portable partitions or bulkheads, by decks or coverings other than permanent or movable awnings. No break in a deck, nor any opening on the vessel's hull, in a deck or in a covering of a space, or in the partitions or bulkheads of a space, nor the absence of a partition or bulkhead, shall preclude a space from being included in the enclosed space.

**Excluded spaces.** Notwithstanding the definition of enclosed spaces, the spaces referred to in Part C of Appendix, which are not included in the volume of the enclosed spaces. However, they shall be considered enclosed spaces when they meet any of the conditions stated in the first paragraph of the aforementioned Part.

**Weathertight:** Means that in any sea conditions water will not penetrate into the vessel.

**Watertight:** Means capable of preventing the passage of water through the structure or closure in any direction under a head of water for which the surrounding structure is designed.

**Berth:** Bed or sofa bed for use of a passenger on a passenger ship. The bed or sofa bed that fits two people equals two berths.

**Breadth or moulded breadth (MB):** The maximum breadth of the vessel, measured amidships to the moulded line of the frame in a vessel with a metal shell and to the outer surface of the hull in a vessel with a shell of any other material.

**Transitional Relief Measure:** is the special treatment granted to the vessels that have made a Canal transit between March 23, 1976, and September 30, 1994 and returned for transit after September 30, 1994. It consists in freezing the tonnage according to the Panama Canal Tonnage System, which was in effect up to September 30, 1994. This measure is applied to vessels as long as they have not undergone a significant structural change. This measure shall be applied to the vessels have not been subject to a significant structural change, meaning that a real variation of not less than ten percent (+/- 10%) of the total volume (V) of the ship. In the event of a significant structural change, the PC/UMS Net Tonnage shall be determined in accordance with Article 10.

The transitional relief measure shall not apply to vessels classified by the Authority as container ships.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Number of TEU Carried During a Transit (NTT):** Is the product of combining the various sizes and types (general, reefers or empties) of containers carried during the transit in open spaces above the upper deck of vessels that are not full container vessels, but have the capacity to carry containers above the upper deck, maximizing the volumetric space, expressing such volume in TEU units according to the conversion table in Article 10. The Authority reserves the right to verify the NTT to ensure that this data complies with the standards accuracy of the Authority.

**Passenger:** Every person on board, other than the master, members of the crew or other persons employed or engaged in any capacity on the business of that vessel.

**Courtesy passenger:** Person traveling aboard the vessel, from whom no financial remuneration will be received or whose transportation does not represent a commercial advantage for the vessel.

**Moulded Depth (MD):** The vertical distance measured from the top of the keel to the underside of the upper deck at side, with the variations described in Part A of Appendix of these regulations.

**Universal Measurement System (UMS):** The set of rules, measurements and calculations applicable for determining the gross and net tonnage, adopted in accordance with the 1969 International Convention on Tonnage Measurement of Vessels.

**Panama Canal Universal Measurement System (PC/UMS):** The system based on the Universal Measurement System, 1969, using its parameters for determining the total volume of a vessel with the additional variations established by the Authority.

**TEU (20-foot Container):** A unit of measurement or reference equivalent to a 20-foot container whose length, width, and height measurements are 20, 8, and 8.5 feet, respectively. A TEU represents a volume equal to 1,360 cubic feet.

**Total TEU Loaded during transit (TTL):** Is the product of the combining the various sizes of containers carried with cargo transported by full container ships, maximizing the volumetric space, expressing such volume in TEU units according to the conversion table in Article 10. The Authority reserves the right to verify the TTL to ensure that this data complies with the degree of accuracy required by the Authority.

**Total TEU Loaded during transit in the return voyage (TTLR):** It is the total TEU loaded during transit (TTL), applicable to a neopanamax vessel in its return voyage (south), with a utilization percentage (TTL) in the northbound transit equal to or greater than 70 percent of the total TEU allowed (TTA) at the Canal and returning in a time period not greater than 28 days. This period corresponds to the time when the vessel leaves Canal waters (sea buoy) in its northbound transit until the time of its arrival to Canal waters (sea buoy) for its southbound transit. These 28 days do not consider the time spent by vessels in anchorages and ports of the Republic of Panama that are between the official exit of the Canal (sea buoy) in the north and the official arrival (sea

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

buoy) at the Panama Canal in the southern direction. If the vessel needs to perform port activities in Panamanian terminals located outside these points, the documentation supporting the visit must be submitted to the Authority.

**Total TEU Allowance (TTA):** Is the total sum of TEU allowance above and below deck.

**TEU Allowance Below Deck:** The total container capacity in TEU that a full container vessel is able to carry in enclosed spaces, including those that may be transported in enclosed spaces above the upper deck. This capacity is determined by using the combination of the various sizes of the containers that maximize the volume of the space, expressing that volume in TEU units.

**TEU Allowance Above Deck:** The total container capacity in TEU that a vessel is able to carry in open spaces above the upper deck, not including those containers that may be carried in enclosed spaces above said deck. This capacity is determined by using the combination of the various sizes of the containers that maximize the volume of the space, expressing that volume in TEU units, which shall be adjusted to compensate for the visibility restriction of the Authority.

**Summer Deadweight Tonnage (DWT):** Maximum cargo capacity in metric tons of a vessel when it is completely submerged in its summer draft. It includes the weight of cargo, fuel, lubrication oils, supplies, fresh water in the tanks, passengers and equipment, crew and their belongings.

**Timber Summer Deadweight Tonnage (TDWT):** Maximum cargo capacity in metric tons of a vessel when it is completely submerged at its timber summer draft. It includes the weight of cargo, fuel, lubrication oils, supplies, fresh water in the tanks, passengers and equipment, crew and their belongings.

**Total volume (V):** The enclosed space of the vessel, expressed in cubic meters.

**Article 3:** The following shall be subject to measurement:

1. The enclosed spaces below deck.
2. The enclosed spaces above deck.
3. The maximum capacity of the vessel to transport containers under the upper deck and on it.
4. Maximum berth capacity
5. Cubic cargo capacity
6. Summer deadweight tonnage or Timber Summer Deadweight Tonnage
7. Maximum displacement

**Article 4:** The Administrator of the Authority shall interpret and apply the rules for the admeasurement of vessels set out in this regulation.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

## **Chapter II**

### **Determination of the Admeasurement of Vessels to Assess Tolls for Use of the Panama Canal**

#### **First Section Requirements**

**Article 5:** For the purpose of admeasurement, the vessels transiting the Canal shall present an ITC 69 or a substitute document deemed acceptable by the Authority, based on a system substantially similar to the one adopted by the aforementioned agreement. In addition, these same vessels shall provide drawings, classification certificates and documents with information stating the V, DWT, TDWT, M<sup>3</sup>, PAX and maximum displacement of the vessel or documentation to determine these parameters through mathematical calculations.

For purposes of passenger vessels, in addition to what was mentioned in the previous paragraph, the vessels must also present the Passenger Ship Safety Certificate, Stability Declaration, International Code on Intact Stability, Devices and Means of Rescue or any other official document or certificate indicating the Maximum Capacity of Berths that is endorsed by the International Convention for the Safety of Human Life at Sea 1974 and its modifications (SOLAS), so as to ensure compliance with the rules of admeasurement established by the Authority and /or document accepted by the Authority where the maximum berth capacity is established. If these documents do not comply with the standards of acceptable accuracy by the Authority, the alternate admeasurement method set forth in these regulations will be used.

All chemical tankers must additionally present the International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk or the Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk, as appropriate, to determine the type (1, 2, 3 or combination that is presented).

If certificates are not obtained or does not meet the criteria to determine the type of chemical tanker, it is subject to what is determined by the Authority.

Those vessels with a length overall and PC/UMS Net Tonnage that pay according to the minimum fixed tonnage, and vessels subject to the transitional relief measures, are exempted from the requirement of presenting the documents mentioned in this article.

The transitional relief measures only apply to vessels that pay based on CP / SUAB Net Tonnage.

**Article 6:** In addition to the requirements of the previous article, vessels with the capacity to carry containers shall provide drawings, classification certificates, and documentation with sufficient information to determine TEU allowance below deck and TEU allowance above deck, as defined in Article 2 of this Regulation.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

The information to which the preceding paragraph makes reference shall be obtained from the Cargo Securing Manual (CSM), the General Arrangement Plan (GA), or any other document or official drawing which shall indicate the total number of containers and their measurements. In the event these documents do not comply with the standards of accuracy acceptable by the Authority, the alternate method of admeasurement set forth in this Regulation shall be followed.

All information referenced in this article and the preceding shall be submitted to the Authority when it requests it.

**Article 7:** Vessels that fail to provide the documents required by the previous articles of these regulations shall be subject to inspection by the Authority to determine their **V**, in accordance with the PC/UMS, M<sup>3</sup>, DWT, TDWT, PAX, total TEU allowed or maximum displacement, as established in this regulation.

**Article 8:** The Authority shall establish **V** to calculate the PC/UMS Net Tonnage; further, the Authority shall establish the values of TEU allowance below deck and TEU allowed above deck, as may be applicable. For passenger ships, the Authority shall establish **V**, PAX and the PC/UMS/PAX ratio. The Authority shall establish the DWT or TDWT for dry bulk carriers, M<sup>3</sup> for gas carriers and maximum displacement for warships, dredges, floating drydocks and any other floating equipment whose tonnage is calculated based on its maximum displacement, as applicable.

The Authority may request complementary information of the vessel for the calculations of the **V**, TEU allowance below deck, TEU allowance above deck, PAX, DWT, TDWT, M<sup>3</sup> and maximum displacement. Regardless of the above, the calculations may be adjusted based on the inspections to obtain the accuracy to the degree required by the Authority.

If the requested documents are not obtained or do not comply with the accuracy required by the Authority, the **V**, TEU allowance below deck, TEU allowance above deck, PAX, DWT, TDWT, M<sup>3</sup> and maximum displacement, the user shall accept the figures calculated by the Authority.

## **Second Section Tonnage**

**Article 9:** The tonnage of a vessel shall consist of the calculation of PC/UMS Net Tonnage, TEU allowance below deck and TEU allowance above deck, M<sup>3</sup>, DWT, TDWT, PAX, the PC/UMS/PAX ratio, maximum displacement and tonnage by length overall, as may be applicable. These calculations shall be determined in accordance with provisions established in this Regulation.

The tonnage of novel types of craft whose construction features make application of the rules unreasonable or impossible shall be determined in a manner that is acceptable to the Authority.

**Article 10:** PC/UMS Net Tonnage of vessels shall be calculated by using the following formula:

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

$$\text{PC/UMS Net Tonnage} = K_4(V) + K_5(V)$$

For all vessels classified by the Authority as a passenger vessel, passengers and their belongings will be considered as cargo; therefore, all spaces that have been identified and certified for the use or possible use of passengers, such as: balconies, swimming pools and corridors, will be included in V. For this type of vessel, in the calculation of the PC/UMS Net Tonnage, the definition of “excluded spaces,” as defined in Regulation 2 of section 5 of ITC-69, does not apply to such spaces.

For all vessels classified by the Authority as full container vessels, the admeasurement shall be based on the total TEU allowance, which shall be calculated by the following formula:

$$\text{Total TEU allowance} = \text{TEU allowance above deck} + \text{TEU allowance below deck}$$

To determine TEU allowance below deck, TEU allowance above deck, and NTT, TTL and TTLR as may be applicable, the following conversion table will be used.

SIZE	CALCULATION	EQUIVALENCE
20' x 8' x 8.5'	1360/1360	1.00 TEU
20' x 8' x 9.5'	1520/1360	1.12 TEU
40' x 8' x 8.5'	2720/1360	2.00 TEU
40' x 8' x 9.5'	3040/1360	2.24 TEU
45' x 8' x 9.5'	3420/1360	2.51 TEU
48' x 8' x 9.5'	3648/1360	2.68 TEU
54' x 8' x 9.5'	4104/1360	3.02 TEU

Any container whose size is not listed in the preceding table shall obtain its equivalence using the same method of calculation.

For a passenger vessels, toll collection will be applied based on PAX or PC/UMS Net Tonnage. The application of a toll is determined by two design parameters: (a) net tonnage determined by ITC 69 and (b) the PC/UMS/ to PAX ratio.

Vessels over 30,000 gross tons (ITC 69) and whose PC/UMS/PAX ratio is less than or equal to 33, shall pay tolls on a per berth basis. Passenger vessels not complying with these two criteria and those passenger vessels that in addition to the passengers transport other types of cargo, will continue to pay on the basis of PC/UMS tonnage.

For dry bulk carriers, toll charge shall be charged using the DWT parameter according to what is shown in the capacity plan, deadweight scale, stability booklet, hydrostatic table or any other document acceptable to the Authority.

For dry bulk carriers with a timber summer deadweight (TDWT), tolls shall be charged using on

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

the DWT or TDWT, whichever is greater, according to what is shown in the capacity plan, deadweight scale, stability booklet, hydrostatic table or any other document acceptable to the Authority. This only applies when the vessel has a valid timber summer draft and is transiting with timber on deck.

The DWT or TDWT is determined by using the following formula:

*Summer deadweight tonnage (DWT or TDWT) = Summer displacement or Timber summer displacement – Light displacement tonnage*

For gas carriers, the tolls will be assessed based on the M<sup>3</sup> parameter according to the capacity plan, stability booklet, cargo manual and any other document acceptable to the Authority.

For warships, dredges, floating drydocks and any other floating equipment whose tonnage is calculated based on its maximum displacement, the toll will be assessed based on the maximum displacement parameter according to stability booklet, hydrostatic tables, capacity plan and any other document acceptable to the Authority.

**Article 11:** Vessels whose PC/UMS Net Tonnage is calculated in accordance with Article 10, may be subject to a new admeasurement if there is a change in the V.

**Article 12:** The full container vessels whose total TEU allowance is calculated pursuant to Article 10, shall maintain said total as long as they have not undergone a structural or documentation change affecting the total TEU allowance. In the event of a structural change or documentation change affecting the carrying capacity of same, the total TEU allowance shall be determined pursuant to the provisions of said article.

Vessels with the capacity to carry containers above the upper deck, whose TEU allowance above deck has been calculated as defined in these regulations and which undergo structural or documentation changes affecting said TEU allowance above deck, shall be established using the conversion table in Article 10.

Passenger vessels whose PAX was established in accordance with the provision of Article 10, shall maintain this total unless it undergoes a structural change or change in number of berths. In case of a change, V, PAX and the CP/UMS/ PAX ratio shall be established using the ratio established in Article 10. In case there is a change in V, which does not affect the number of previously established berths, the change will be audited to determine whether or not berth capacity has been affected.

Vessels whose DWT or TDWT has been calculated in accordance with the provisions of Article 10, maintain their values if they do not undergo structural and stability changes or changes in hydrostatic properties that impact their deadweight scale and affect flotation line.

Vessels whose M<sup>3</sup> has been calculated in accordance with the provisions of Article 10, shall maintain their value if they do not undergo structural changes in cargo tanks or in its hydrostatic properties that impact their capacity.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

Vessels whose maximum displacement has been calculated in accordance with the provisions of Article 10, will maintain their values as long as no structural changes, stability, or hydrostatic properties are made that impact the deadweight scale and affect the draft and consequently vary the maximum displacement.

**Article 13:** All volumes included in the calculation of the PC/UMS Net Tonnage shall be measured, irrespective of the fitting of insulation or the like, to the inner side of the shell or structural boundary plating in vessels constructed of metal, and to the outer surface of the shell or to the inner side of structural boundary surfaces in vessels constructed of any other material.

The **V** shall include the volume of the appendages of the vessel and may exclude the spaces open to the sea.

**Article 14:** All measurements used in the calculation of volume shall be taken to the nearest centimeter or to one-twentieth of a foot.

The volumes shall be calculated by generally accepted methods for the space concerned, and with the degree of accuracy accepted by the Authority, verifying the calculations in a detailed manner, so that their precision may be corroborated.

### **Chapter III Alternative Method for the Admeasurement of Vessels**

**Article 15:** When an ITC 69 or suitable substitute or the necessary documentation to calculate the **V** have not been presented, or when these documents do not comply with the standards of accuracy acceptable by the Authority, the vessels will be measured to include the entire cubic contents of the closed spaces to establish **V**, as is defined in this chapter.

In the event of vessels classified by the Authority as a full container vessel or vessels with the capacity to carry containers on or above the upper deck that have not submitted the Cargo Securing Manual and the General Arrangement Plan, their equivalents, or when these documents do not comply with the standards of accuracy acceptable by the Authority, the TEU allowance below deck and TEU allowance above deck, as may be applicable, shall be established using any other method acceptable to the Authority.

In the event of vessels classified by the Authority as a passenger vessel that has not presented the documents listed in the first paragraph of this article and/or the Passenger Ship Safety Certificate, or when the documents provided do not comply with the standards of accuracy acceptable by the Authority, the Authority will determine **V**, the maximum passenger capacity (PAX) and the PC/UMS/ PAX ratio, using any other method acceptable to the Authority.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

In the event of vessels classified by the Authority as a dry bulk carrier that has not presented their stability booklet or hydrostatic tables, the capacity plan or when these documents do not comply with the standards of accuracy acceptable by the Authority, the DWT or TDWT will be established using any other method acceptable to the Authority.

In the event of vessels classified by the Authority as a gas carrier that has not presented their stability booklet or hydrostatic tables, the capacity plan and Certificate of Fitness for the Carriage of Chemical Products in Bulk or International Certificate of Fitness for the Carriage of Chemical Products in Bulk, as appropriate, or when these documents do not comply with the standards of accuracy acceptable by the Authority, the M<sup>3</sup> will be established, using any other method applicable to the Authority.

**Article 16:** The Authority shall endeavor to determine the V, TEU allowance below deck, TEU allowed above deck, DWT, TDWT M<sup>3</sup>, PAX and the PC/UMS/PAX ratio and maximum displacement, as may be applicable, as accurately as possible, based on the information available at the time of the calculation. For this calculation, generally accepted measures will be used to obtain the precision margin required by the Authority.

**Article 17:** Vessels that do not present the documentation required or when these documents do not comply with the precision acceptable by the Authority, shall be measured as follows:

1. The volume of structures above the upper deck may be determined by any method or combination of methods that are acceptable to the Authority. These methods shall include simple geometric formulas, Simpson's rules and other standard mathematical formulas. If special procedures are used, they must be identified.

Measurements and calculations should be sufficiently detailed and concise, so as to permit easy review by the Authority.

2. The volume of the hull under the upper deck (UDV) shall be determined by using the following formula:

$$UDV = \{0.91 \times [(LOA \times MB) \times (D - SLD)]\} + (SLDISP/1.025)$$

If the previous formula proves unworkable, the V of the hull below the upper deck shall be determined by multiplying the product of the LOA, MB and D, as defined in Part G of the Appendix, by the corresponding coefficient indicated in the following table:

LOA IN METERS	COEFFICIENT
> 0 to 30	.7150
> 30 to 60	.7250
> 60 to 90	.7360

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

> 90 to 120	.7453
> 120 to 150	.7328
> 150 to 180	.7870
> 180 to 210	.8202
> 210 to 240	.7870
> 240 to 270	.7328
> 270	.7453

3. The **V** of a vessel is the sum of the volume of the structures above the upper deck as determined in accordance with (1) above, and the volume of the hull below the upper deck, as determined in accordance with the parameters established in (2) above.
4. The figures of the parameters used to calculate the toll basis may be determined by any method or combination of methods that are acceptably by the Authority.

**Article 18:** A vessel whose method of admeasurement has been determined in accordance with article 15 may apply for re-admeasurement by submitting new corrected plans or other relevant documents acceptable by the Authority to recalculate the tonnage of the vessel.

#### **Chapter IV Admeasurement Certificate**

**Article 19:** The admeasurement of vessels shall be carried out by the Authority's specialized personnel, or by agents authorized by it. Each vessel shall present to the Authority, when requested by it, a complete set of drawings, documents, breakdown of the total volume and calculation sheets, with the dimensions that served as the basis for obtaining its ITC 69 or its equivalent, and a copy of the same.

For vessels with a net tonnage based on capacity parameters (DWT, TDWT, M<sup>3</sup>, PAX and maximum displacement), the vessel will make available to the Authority the drawings, deadweight scale, stability booklet, hydrostatic tables and any other document that serves as source for the corresponding parameter.

**Article 20:** The Authority shall deliver to each vessel, ship owner or its agent, the ACP Toll Basis Certificate, which shall be maintained aboard as proof that it has been inspected and measured.

**Article 21:** The Authority may correct the ACP Toll Basis Certificate when a difference in the admeasurement of the vessel is found after examining the documents or inspecting the vessels, as applicable.

#### **Chapter V Warships, Dredges and Floating Drydocks**

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Article 22:** The toll on warships, dredges and floating drydocks shall be based on their fully loaded displacement or and any other floating equipment whose tonnage is calculated based on its maximum displacement. To this effect, these vessels shall be required to submit documents stating accurately the displacement tonnage at each possible mean draft.

**Article 23:** The fully loaded displacement of these vessels shall be determined in a manner acceptable to the Authority, and shall be expressed in metric tons.

**Article 24:** If the user does not submit the necessary documents, the Authority may use any acceptable and practicable method to determine the fully loaded displacement.

## **Chapter VI Final Provisions**

**Article 25:** For the purpose of the preparation of the documentation required by the Authority, a vessel must meet the following conditions to be considered in ballast status:

1. It may not carry passengers except for courtesy passengers. The vessel cannot carry any cargo, except for the effects needed for the operation of the vessel or for the use or consumption by the crew on board, as determined by the Authority.
2. It may not carry fuel for the vessel's consumption in quantities that exceed the capacity of the spaces designed and certified for it, as shown in the vessel's capacity plan or any official documents.
3. For cases where the vessel carries containers on deck, the Authority must determine the purpose of the containerized cargo. If the purpose is not commercial, the container is charged as NTT but the ballast condition is not invalidated. If the purpose is commercial, the container is charged as NTT and the toll must be charged using the laden rate.
4. LPG vessels can carry up to a maximum of two (2) percent of the total cargo capacity expressed in cubic meters of cargo capacity (LPG) of the spaces designed and certified for it, as shown in the vessel's capacity plan or any official document.
5. LNG vessels may carry up to a maximum of ten (10) percent of the total cargo capacity expressed in cubic meters of cargo capacity (LNG) of the spaces designed and certified for it, as shown in the vessel's capacity plan or any official document.
6. It may not carry cargo, materials or products with the exception of those for the operation of the vessel or for the use or consumption on board by the crew, as determined by the Authority.

Notwithstanding the preceding paragraph, a vessel of any segment may be considered in ballast when transiting with a minimum percentage of vessel use of capacity, as determined by the Board of Directors on a proposal from the Administration. To this end, the Administration shall previously submit to the Board of Directors the well-supported proposal indicating the segment and type of vessel and the minimum percentage of vessel capacity to be considered in ballast and the period of time of the year in which it intends to implement this provision.

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Article 26:** Vessels passing through the locks at either end of the Panama Canal and returning to the original point of entry without passing through the locks at the other end of the Canal, shall be considered as having made a full transit. Re-entry of the same vessel shall be considered a new transit.

**Article 27:** Vessels that based on their length overall and PC/UMS Net Tonnage pay according to their fixed minimum rates, unless otherwise prescribed by other regulations, are exempted from the PC/UMS admeasurement, except those cases established in other regulations.

## **APPENDIX**

### **A. EXPANSION ON THE DEFINITION OF MOULDED DEPTH:**

In wood and composite vessels the distance is measured from the lower edge of the keel rabbet. Where the form at the lower section of the midvessel section is of a hollow character, or where thick garboards are fitted, the distance is measured from the point where the line of the flat of the bottom continued inwards cuts the side of the keel.

In vessels having rounded gunwales, the moulded depth shall be measured to the point of intersection of the moulded lines of the deck and side shell plating, the lines extending as though the gunwales were of angular design.

Where the deck is stepped and the raised section of the deck extends over the point at which the moulded depth is to be determined, the moulded depth shall be measured to a line of reference extending from the lower section of the deck along a line parallel with the raised section.

### **B. MEANING OF THE SYMBOLS USED WITH THE FIGURES IN THIS REGULATION:**

O = excluded space

C = enclosed space

I = space to be considered as an enclosed

space. Hatched in parts to be included as

enclosed spaces. B = breadth of the deck in

way of the opening

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

In vessels with rounded gunwales the breadth is measured as indicated in Figure 11.

### C. DEFINITION OF EXCLUDED SPACES:

Are the spaces described below, unless they meet any of the following three conditions, in which case they shall be considered enclosed spaces:

- The space is fitted with shelves or other means for securing cargo or stores.
- The openings are fitted with any means of closure.
- The construction provides any possibility of such openings being closed.

**1.a.** A space within an erection opposite an end opening extending from deck to deck except

for a curtain plate of a depth not exceeding by more than 25 millimeters (one inch) the depth of the adjoining deck beams, such opening having a breadth equal to or greater than 90 percent of the breadth of the deck at the line of the opening of the space. This provision shall be applied so as to exclude from the enclosed spaces only the space between the actual end opening and a line drawn parallel to the line or face of the opening at a distance from the opening equal to one-half of the width of the deck at the line of the opening (Figure 1):

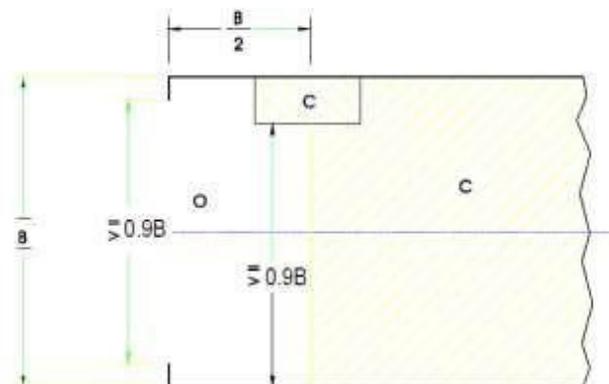


Fig. 1

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**1.b.** Should the width of the space because of any arrangement except by convergence of the outside plating, become less than 90 percent of the breadth of the deck, only the space between the line of the opening and a parallel line drawn through the point where the athwarships width of the space becomes equal to or less than 90 percent of the breadth of the deck shall be excluded from the volume of enclosed spaces. (Figures 2, 3 and 4):

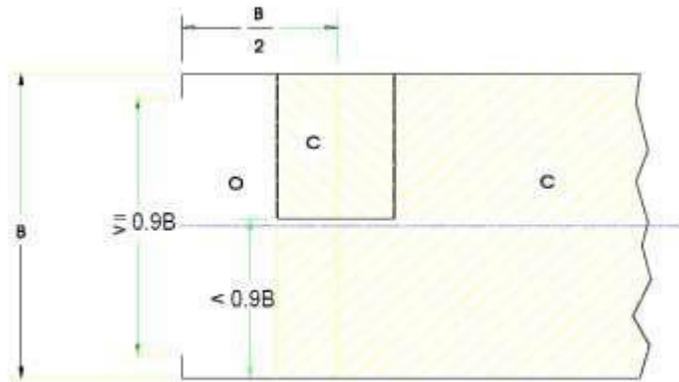
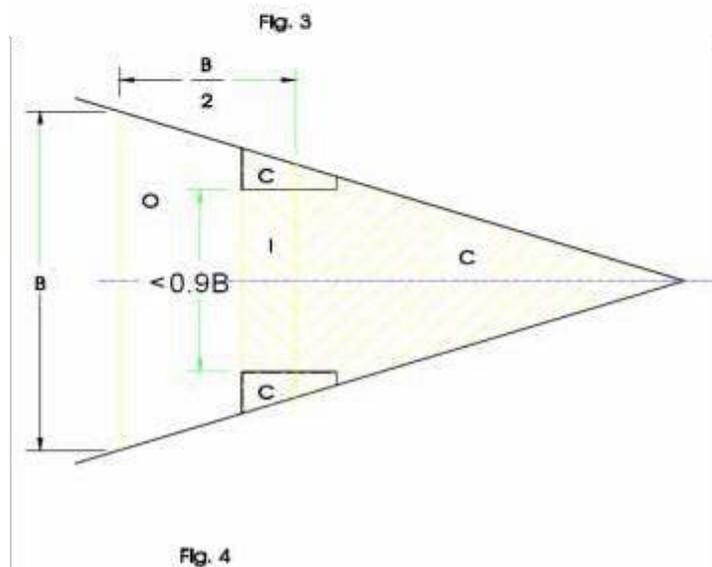
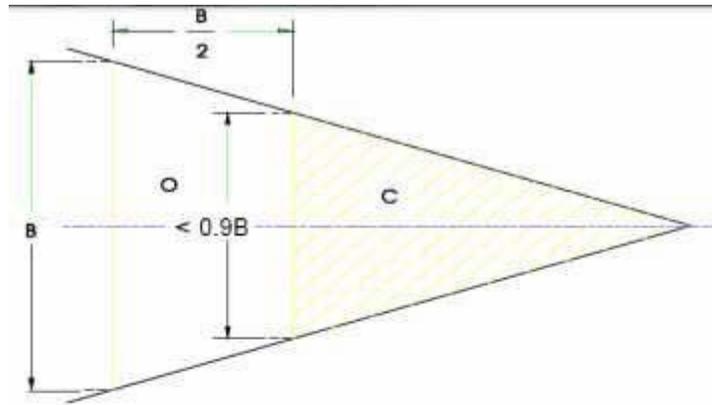


Fig. 2

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.



1.c. Where an interval which is completely open except for bulwarks or open rails separates

any two spaces, the exclusion of one or both of which is permitted under paragraphs 1.a and 1.b, such exclusion shall not apply if the separation between the two spaces is less than the least half breadth of the deck in way of the separation. (Figures 5 and 6):

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

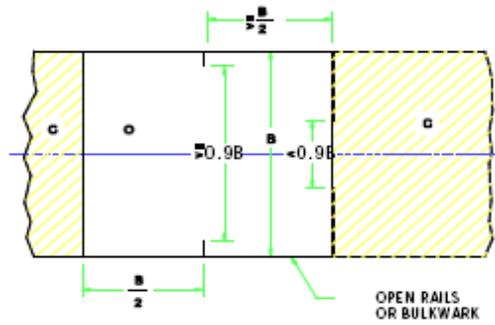


Fig. 5

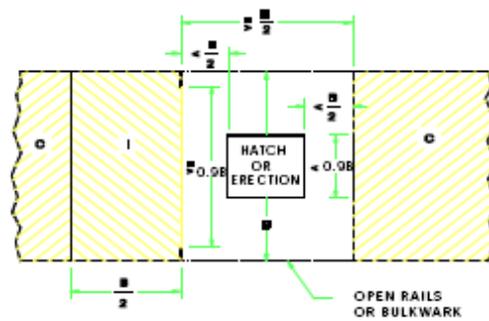


Fig. 6

2. A space under an overhead deck covering open to the sea and weather, having no other connection on the exposed sides with the body of the vessel than the stanchions necessary for its support. In such a space, open rails or a bulwark and curtain plate may be fitted or stanchions fitted at the vessel's side, provided that the distance between the top of the rails or the bulwark and the curtain plate is not less than 0.75 meters (2.5 feet) or one-third of the height of the space, whichever is the greater. (Figure 7).

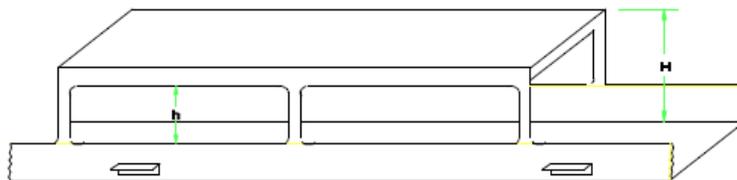


Fig. 7

$h = \text{AT LEAST } \frac{H}{3}$   
 0.75m (2.5 FEET)  
 WHICHEVER IS  
 THE GREATER

3. A space in a side-to-side erection directly in way of opposite side openings not less in height than 0.75 meters (2.5 feet) or one-third of the height of the erection, whichever

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

is the greater. If the opening in such an erection is provided on one side only, the space to be excluded from the volume of enclosed spaces shall be limited inboard from the opening to a maximum of one-half of the breadth of the deck in way of the opening (Figure 8).

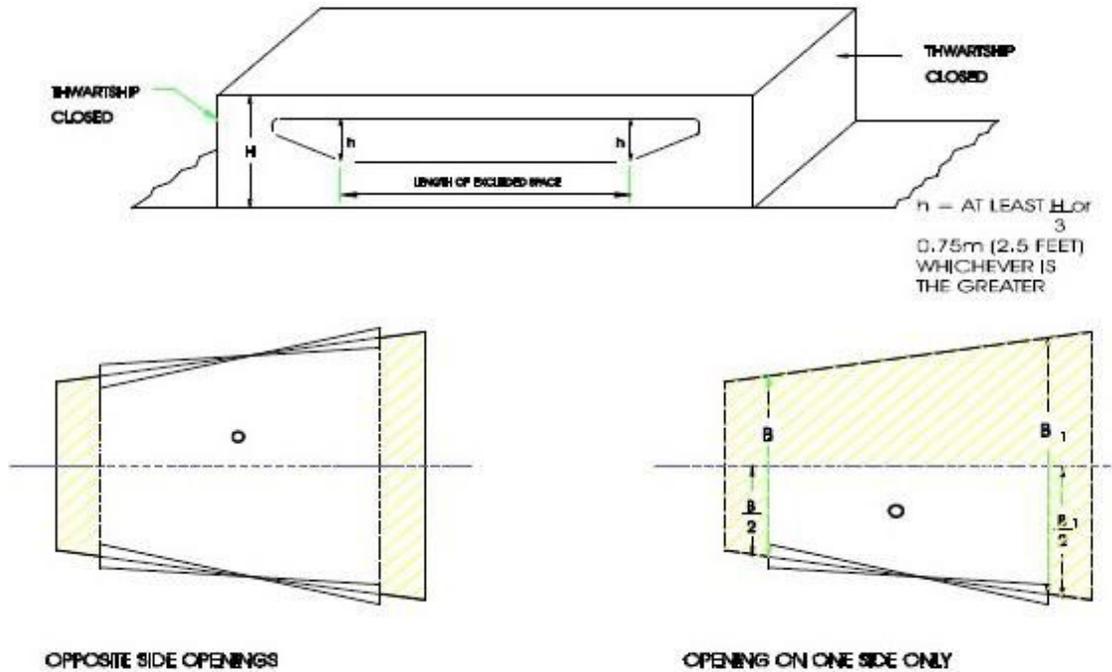


Fig. 8

4. A space in an erection immediately below an uncovered opening in the deck overhead, provided that such an opening is exposed to the weather and the space excluded from enclosed spaces is limited to the area of the opening. (Figure 9).

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

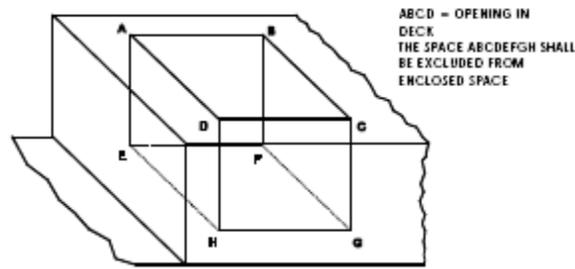


Fig. 9

5. A recess in the boundary bulkhead of an erection which is exposed to the weather and the opening of which extends from deck to deck without means of closing, provided that the interior width is not greater than the width at the entrance and its extension into the erection is not greater than twice the width of its entrance. (Figures 10 and 11).

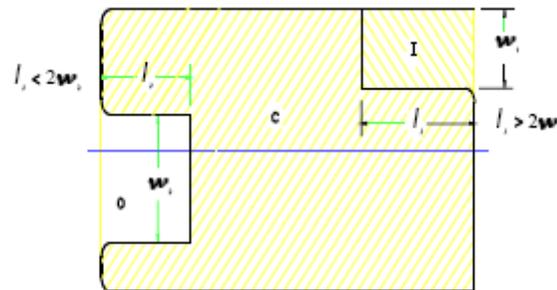


Fig. 10

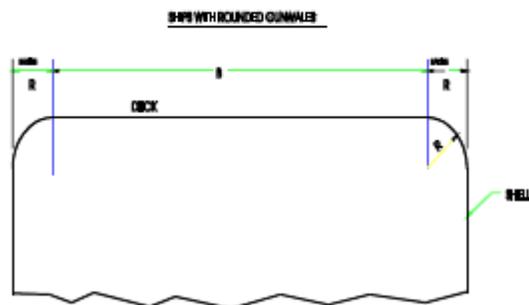


Fig. 11

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

#### **D. EXPANSION OF THE DECK:**

In a vessel having a stepped deck, the lowest line of the exposed deck and the continuation of that line parallel to the upper section of the deck is taken as the deck.

#### **E. DETERMINATION OF THE PC NET TONNAGE IN ACCORDANCE WITH THE UMS:**

Explanation of the component of the formula as stated in

Article 10: PC/UMS Net Tonnage =  $K_4(V) + K_5(V)$

a.  $K_4 = \{0.25 + [0.01 \times \text{Log}_{10}(V)]\} \times 0.830$

b.  $K_5 = [\text{Log}_{10}(\text{DA}-19)] / \{[\text{Log}_{10}(\text{DA}-16)] \times 17\}$

If the number of passengers ( $N_1 + N_2$ ) is greater than 100 or DA is equal to or less than 20.0 meters, then  $K_5$  is equal to zero.

c.  $V$  = Total volume of all enclosed spaces of the vessel in cubic meters and is identical to  $V$  as specified in the 1969 International Convention on Tonnage Measurement of Ships (ITC 69).

d. DA (Average depth) = The result of the division of the  $V$  by the product of the length in meters multiplied by the moulded breadth in meters.  $DA = V / (L \times MB)$ .

e. L (Length) is defined as 96 percent of the total length on a waterline at 85 percent of the least moulded depth measured from the top of the keel, or the length from the fore side of the stem to the axis of the rudder stock on that waterline, if that be greater. In vessels designed with a rake of keel, the waterline on which

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

this length is measured shall be parallel to the designed waterline.

- f. MB = Moulded breadth is defined in Article 2.
- g. N1 = Number of passengers in cabins with no more than 8 berths.
- h. N2 = Number of other passengers.
- i. N1 + N2 = Total number of passengers the vessel is permitted to carry as indicated in the vessel's passenger certificate.

#### **F. CHANGE IN THE PC/UMS NET TONNAGE:**

The Authority shall perform a fair and equitable volumetric comparison where a vessel does not have total comparative volumes according to ITC 69, or other suitable source of volumetric comparison, to determine if the vessel's structure has undergone a significant change.

#### **G. MEASUREMENT OF VESSELS WHEN TONNAGE CANNOT BE OTHERWISE ASCERTAINED:**

For vessel whose net tonnage is calculated based on PC/UMS: UDV

$$= \{0.91 \times [(LOA \times MB) \times (D - SLD)]\} + (SLDISP/1.025)$$

Where:

UDV = Volume of the hull below the deck, in cubic meters.

LOA = The Length overall, i.e., the length of the vessel in meters from the foremost to the aftermost points, including a bulbous bow if present.

MB = Moulded breadth in meters as defined in Article 2. D =

**IMPORTANT NOTICE:** Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

Moulded depth in meters as defined in Article 2.

SLD = Summer loaded draft (in meters) i.e., the maximum depth

to which the vessel's hull may be immersed when in a summer zone

SLDISP = Summer loaded displacement, i.e., the actual weight in

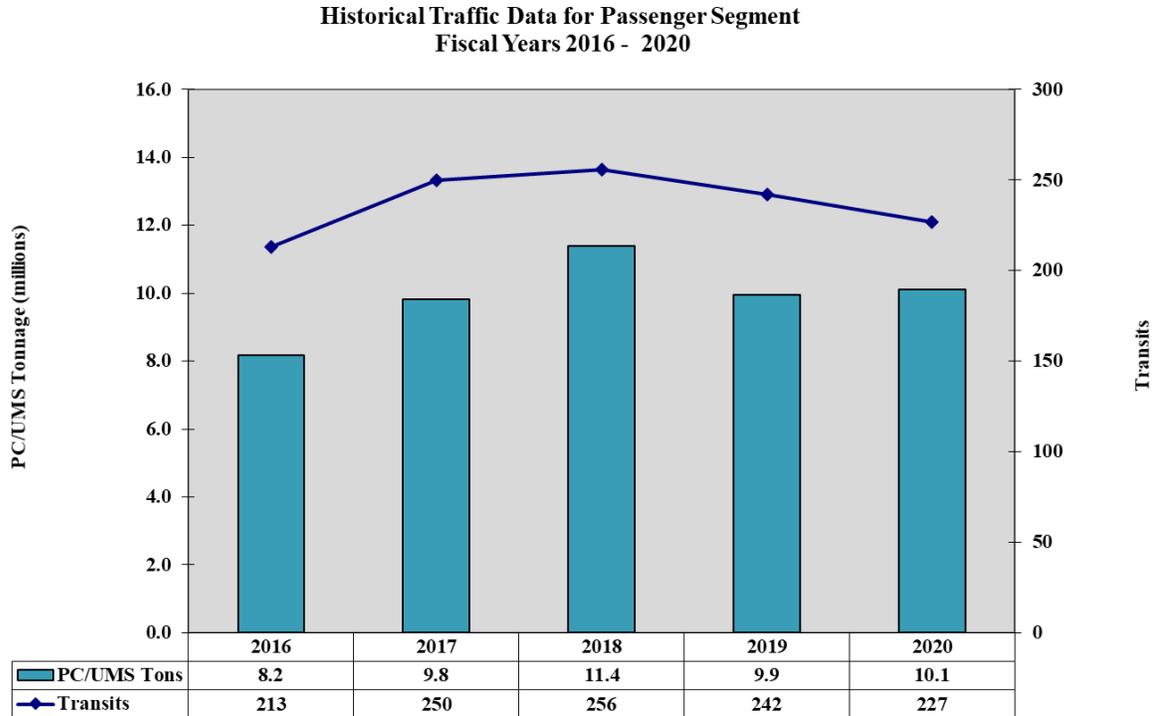
metric tons of the water displaced by the vessel when immersed to

her SLD.

## Impact analysis by market segment

### PASSENGER VESSELS

During the period between fiscal years 2016 and 2020, passenger vessels accounted for 2.3 percent of the total PC/UMS tonnage of the Panama Canal, generated on average 1.8 percent of total transits and 2 percent of tolls revenues.



Source: ACP Corporate Data Warehouse

The passenger segment experienced growth during fiscal periods 2016-2018; conversely, during fiscal years 2019 and 2020, this segment sustained a decrease in PC/UMS tonnage, due to a traffic reduction of Neopanamax vessels. In 2019 and continuing into 2020, the volume of PC/UMS tonnage remained virtually unchanged at 10 million tons. The reduction in transits in 2020 was a result of COVID-19 pandemic-related measures and restrictions.

During the 2019-2020 cruise season, the passenger ship traffic through the Panama Canal underperformed compared to the previous period. The segment recorded 227 transits (177 full transits and 50 turnarounds), 15 transits less than the 242 transits during the previous fiscal year (188 full transits and 54 turnarounds). The total number of passengers was 290,431 or 6.7 percent more than the 272,308 registered during fiscal year 2019.

The tolls proposal for passenger vessels eliminates the maximum berth capacity tolls unit and standardizes PC/UMS tonnage as the tolls unit for all passenger vessels. This facilitates the tolls

calculation, because PC/UMS tonnage is a measure applied for this segment and historically utilized by the Panama Canal. The aforementioned simplifies the price structure, reducing the number of tariff items from 16 to 12.

The current tariffs, implemented in April 2016, will not be subject to any increase. The passenger segment is under a recovery period after a severe impact from the COVID-19 pandemic.