CANAL DE PANAMÁ

Long-Term Slots Allocation (LoTSA)

Terms and Conditions

August 26, 2024

Panama Canal Authority
Long-Term Slot Allocation

Introduction

The Long-Term Slot Allocation (LoTSA) is a new method for Neopanamax vessels to secure transit slots in the Panama Canal. This method allows customers to reserve transit slot packages through a Sealed bid process available in the Panama Canal Transit Auction System.

The following table summarizes the package availability and the slot distribution per package to be allocated the first year through the LoTSA method for booking dates from January 5, 2025, to January 3, 2026:

Market Segment	Offering Number	Number of Packages	Slots per Package	Transit Frequency	Slots per Direction	
					N	S
Full Containers	1	7	104	1 per direction each week	52	52
	2	7	52	1 each week	52	
LNG/LPG	3	6	24	2 per month		24
	4	18	12	1 per month		12
All	5	1	6	1 per month		6

The sealed bid processes for the first calendar year period will be held beginning September 9, 2024, for booking dates from January 5, 2025, to January 3, 2026, as shown in the following table:

Market Segment	Number of Packages	Slots per Package	Auction Opening Date
LNG/LPG	6	24	September 9, 2024
	18	12	September 11, 2024
Full Containers	7	104	October 1, 2024
	7	52	October 3, 2024
All	1	6	October 7, 2024

The Long-Term Slots (LoTSA) Packages offered through a sealed bid auction will be subject to the following terms and conditions:

1. Customers awarded Long-Term Slots (LoTSA) will enjoy the following privileges without additional charges:

1.1. Unlimited swaps and substitutions requested at least 8 days prior to the required arrival time. Requests made within 7 days of the required arrival time will incur a substitution and/or swapping fee.

1.2. Flexibility may be granted for transit up to 2 days following the booking date, provided that the request is made no less than 8 days prior to the booking date and subject to evaluation by the ACP. The newly requested date will not have an in-transit time guaranteed. Any other cases will be assessed the corresponding booking tariffs applicable at the time the service is requested.

1.3. Customers with higher bids will have priority over customers with lower bids when choosing their transit dates.

2. Customers awarded Long-Term Slots (LoTSA) have the same options as other booking slots such as Just in time and transit date advancement, subject to an additional fee as per the published Official Maritime Tariffs. Please note that all the rules and conditions published in A-13-2024 and Notice to Shipping N-07-2024 will remain in effect.

3. Booking slots acquired via the LoTSA method will be exempt from the High Demand surcharge.

4. Booking slots acquired via the LoTSA method will be exempt from the Cancellation surcharges for Neopanamax Liquefied Natural Gas (LNG) vessels (1050.IBC6 & 1050.IBC7).

5. Booking slots obtained through the LoTSA method are not subject to the following condition: Neopanamax vessels that have requested a booking slot for a particular date and were rejected due to unavailability of slots during any booking period (except Period 3), and subsequently obtain a slot for an alternate date, will be allowed to change to the original date without being assessed a fee for the change, provided that they participate in the tiebreaker competition for the slot; and that the reservation for the alternate date was awarded prior to the slot for the original date becoming available. This provision also applies to vessels interested in slots that become available during the second booking period competition. For this provision to be applied, the booking request shall be submitted during the tiebreaker competition (regular or special) for such slots.

6. The Customer Code, the bid amount, number of packages, payment method and guarantor bank will be the only information required to place a bid in the Panama Canal Transit Auction System.

7. A different username is required for each Customer Code that participates in the sealed bid process, as currently required in the Panama Canal Auction System. The system will validate the username and the Customer Code used to place the sealed bid and will create a key with this information.

8. These sealed bid auctions will be published not earlier than 0800 hours on day one and the closing time will be at 1200 hours on the next day.

9. The auction closing time will not be extended.

10. The initial or base price of the sealed bid auction for each slot included in the package will be $200,000 USD (Two Hundred Thousand US dollars).

11. Since several LoTSA packages will be offered at the same time, these packages will be awarded to the customer who submits the highest bid during the auction in descending order. If two or more customers submit the same bid amount at the time the auction closes, the allocation of packages between them will be based on the time each bid was received, in descending order.

12. In case there are customers interested in more than one package, and the number of packages offered exceeds the number of customers participating in the auction, one package will be allocated to each customer that participated in the auction by their bid amount, in descending order (from highest to lowest) and the remaining packages will be allocated individually using the same bid amount order within the customers that are interested in more than one package. For example:

12.1. Example 1: 7 packages offered with 7 or more bidders in the auction interested in more than 1 package: the packages will be awarded according to the 7 highest bidders, in descending order. If two or more customers submit the same bid amount at the time the auction closes, the allocation of packages between them will be based on the time each bid was received, in descending order.

12.2. Example 2: 7 packages offered; and less than 7 bidders in the auction, in which there are some of them interested in more than 1 package: the packages will be awarded according to the highest bids in descending order, and the remaining packages will be awarded between the bidders interested in more than 1 package, according to the highest bid, in descending order.

13. Similar to the current auctioned slots procedure, customers awarded Long-Term slots shall submit a particular date booking request in The Transit Reservation System (Booking) Application, as outlined in Table #1.

In this request, the customer shall introduce the package code and check the “Long-Term Slot” box.

Note: In addition, Full-daylight restricted vessels, tug-and-barge units and non-self-propelled vessels are not allowed to participate to book their transit through the LoTSA initiative.

14. For each recurring week the same priority procedure presented above will apply.

15. Under this scheme, a LoTSA slot is booked to transit in a specific week or month. The specific transit date should be defined no later than 35 days prior to the beginning of the month of the intended LoTSA week. If the customer fails to submit the desired booking date request

for the acquired LoTSA week, the slot will be forfeited, and the customer will be assessed a cancellation fee equal to the sealed bid amount.

16. In the event of a LoTSA slot cancellation request, a fee equivalent to the auctioned bid amount for the booking slot will be applied. Furthermore, cancellations made with less than 2 days prior to the required arrival time will incur an additional fee of $250,000 USD if the vessel does not arrive within the next 7 days of the booked date, in addition to the original sealed bid amount for the slot.

17. Slots are not transferable to other customers unless the customers operate within an alliance and meet the requirements specified in Notice to Shipping N-7-2024 and the Customer Code Issuance, Consolidation and Deactivation Procedures.

18. Once the package is awarded through the LoTSA method, the customer or his corresponding local shipping agent must submit the appropriate LoTSA request at the time the package is awarded. At this time, the customer must specify the payment method that will be used at the time the vessel´s visit is assigned to the LoTSA slot; that is, line of credit, payment gateway, revolving fund or bank guarantor. Regarding the payment of slots obtained through the LoTSA method, customers must pay in cash or post a bank guarantee, in the legal currency of the Republic of Panama, not later than 96 hours prior to the transit date.

END

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Table #1

Market Segment	Offer	Slots per Package	Winners Order	Individual Timeframe (# days)	Total Timeframe (# days)	Package Number
Full Containers	1	104	1st placed	70 a 69	70 to 35	1
	1	104	2nd placed	68 a 67	68 to 35	2
	1	104	3rd placed	66 a 65	66 to 35	3
	1	104	4th placed	64 a 63	64 to 35	4
	1	104	5th placed	62 a 61	62 to 35	5
	1	104	6th placed	60 a 59	60 to 35	6
	1	104	7th placed	58 a 57	58 to 35	7
	2	52	1st placed	70 a 69	70 to 35	1
	2	52	2nd placed	68 a 67	68 to 35	2
	2	52	3rd placed	66 a 65	66 to 35	3
	2	52	4th placed	64 a 63	64 to 35	4
	2	52	5th placed	62 a 61	62 to 35	5
	2	52	6th placed	60 a 59	60 to 35	6
	2	52	7th placed	58 a 57	58 to 35	7
LNG/LPG	3	24	1st placed	56 a 55	56 to 35	1
	3	24	2nd placed	54 a 53	54 to 35	2
	3	24	3rd placed	52 a 51	52 to 35	3
	3	24	4th placed	50 a 49	50 to 35	4
	3	24	5th placed	48 a 47	48 to 35	5
	3	24	6th placed	46 a 45	46 to 35	6
	4	12	1st placed	56 a 55	56 to 35	1
	4	12	2nd placed	54 a 53	54 to 35	2
	4	12	3rd placed	52 a 51	52 to 35	3
	4	12	4th placed	50 a 49	50 to 35	4
	4	12	5th placed	48 a 47	48 to 35	5
	4	12	6th placed	46 a 45	46 to 35	6
	4	12	7th placed	44	44 to 35	7
	4	12	8th placed	43	43 to 35	8
	4	12	9th placed	42	42 to 35	9
	4	12	10th placed	41	41 to 35	10
	4	12	11th placed	40	40 to 35	11
	4	12	12th placed	39	39 to 35	12
	4	12	13th placed	38	38 to 35	13
	4	12	14th placed	37	37 to 35	14
	4	12	15th placed	36	36 to 35	15
	4	12	16th placed	35	35	16
	4	12	17th placed	35	35	17
	4	12	18th placed	35	35	18
All	5	6	1st placed	35	35	1