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To: Tamara Fucile; seth_barnes@klobuchar.senate.gov; baz_selassie@klobuchar.senate.gov
Subject: Panama Canal Hearing Docs (Klobuchar)
Attachments: Respuesta a preguntas WDC.pdf; Panama_Canal_Fact_Sheet(edit) 2.pdf; Panama_Canal_Fact_Sheet.pdf

Tamara, Seth and Baz

Please consider the following information related to Tuesday's hearing on the Panama Canal. We represent the Government of Panama and thought this information could be useful as you prepare the Senator.

Thank you for your time and consideration

Manny

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CANAL DE PANAMÁ

Panama Canal Fact Sheet

Important Information

The Panama Canal handles about 2.2% of global maritime trade volume; but around 40% of US trade volume transits the Panama Canal.

The U.S. is the only nation given priority passage for its military vessels, a right granted in Article 6 of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

- U.S. military ships are moved to the front of the line with minimal (48 hours) notice; longest they have ever had to wait was 24 hours (during COVID).
 - Other ships have to wait 2 – 3 days now with the reservation system put in place in 2023; prior to that, ships could wait 7 – 10 days.
- In the last 25 years, approx 1,000 warships have transited the Panama Canal in an expedited timeline.

There is a wide range of fees for ships going through the Panama Canal; the U.S. military is charged 6% to 30% of the fees charged for commercial vessels

\$300,000
average for commercial
Panamax vessels

\$150,000
average for military
auxiliary vessels

\$30,000
average for warships

The U.S. is the top consumer of cargo through the Panama Canal

75% of the cargo through the Canal is going to / from the U.S.

- Arriving to the U.S. – containerized good from Asia
- Departing the U.S. – energy products (LPG, LNG, Chemical, Petroleum products) / dry bulk (soybean, corn, etc.) to Asia

Only 20% of the cargo through the Canal is going to / from China.

- Covers most major U.S. ports and most destinations
- Imports / exports from U.S. east coast and Gulf coast ports to / from Asia

The Panama Canal shortens maritime travel between the Atlantic and Pacific Oceans by 8,000 miles.

- Without it, ships would need to navigate around the southern tip of South America, through the Strait of Magellan or Cape Horn, which would add extra time, cost and risk.
- It costs less for a vessel to pay the fee to transit the Panama Canal than the costs incurred by the extra travel to avoid it. (Incremental fuel consumption alone would exceed the cost of the transit fees.)

13,000 ships transit the Panama Canal every year; less than 4% are US flagged

Total of 500 U.S. flagged vessels
(Includes oceangoing and small vessels)

- 400 to 420 of those are U.S. commercial vessels
- 80 to 100 of those are U.S. military related vessels

Top Carriers Through the Panama Canal

Rank	Customer	Customer Country
1	MAERSK A/S	Denmark
2	MEDITERRANEAN SHIPPING CO.	Switzerland
3	CMA CGM	France
4	TRAFIGURA BEHEER B.V.	Greece
5	HAPAG LLOYD	Germany
6	ZIM AMERICAN INTEGRATED SHIPPING SERVICES CO. INC.	Israel
7	CHINA COSCO SHIPPING CORPORATION LIMITED	China
8	MITSUI O.S.K. LINES	Japan

Management of the Canal

The Panama Canal Authority, an autonomous entity, holds exclusive control over the operations of the waterway.

Run by a board composed of 11 members; Minister of Canal as Chairman, 9 members appointed by the President and one member appointed by the National Assembly, all panamanians.

The Panama Canal Authority operates separately from the government, with its own administrations, budget, debt, labor and contract regulations.

Expansion of the Canal

Work began in 2007 on a \$5.4 billion expansion project; plus \$1.6B in other related investments, completed in 2016

- Enabled the canal to handle Neo-Panamax ships; they can carry nearly three times the volume previously accommodated.
- Includes a new, larger set of locks and the widening and deepening of existing navigational channels.

Expansion was funded by a combination of revenue from tolls and financing from development banks:

- **Japan Bank for International Cooperation (JBIC):** Provided \$800 million
- **European Investment Bank (EIB):** Provided \$500 million
- **Inter-American Development Bank (IDB):** Provided \$400 million
- **International Finance Corporation (IFC):** Provided \$300 million
- **Development Bank of Latin America and the Caribbean (CAF):** Provided \$300 million

Operations Through the Canal

From port to port (within the canal), the Canal is operated by the Panama Canal Authority.

Ship captains aren't allowed to transit the canal on their own; instead, a specially trained canal pilot takes navigational control of each vessel to guide it through the waterway.

There are 5 ports adjacent to the Canal

2

Panama Ports Cristobal and Panama Ports Balboa – are operated by Hutchison Port Holding since 1997

3

Terminals are operated by U.S. or multinational companies

Panama Canal

Important Information

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BUT

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The U.S. is the only nation given priority passage for its military, a right granted in Article 6 of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

- U.S. military ships are moved to the front of the line with minimal (96 hours) notice; but the longest they have ever had to wait was 24 hours (during COVID).
- Other ships have to wait 2 – 3 days; prior to 2023, other ships could wait 7 – 10 days.
- Over the last 30 years, over 2,200 U.S. warships have transited the Canal on expedited timelines and at reduced rates

There is a wide range of fees for ships going through the Panama Canal; the U.S. military is charged 6% to 30% of the fees charged for commercial vessels

\$500,000

average for commercial vessels

\$150,000

average for military auxiliary vessels

\$30,000

average for submarines and warships

The U.S. is the top consumer of cargo through the Panama Canal

70%

of the cargo through the Canal is going to / from the U.S.

- Arriving to the U.S. – containerized good from Asia
- Departing the U.S. – liquid bulk (energy products / LNG / Chemical) / dry bulk (corn etc)
- Includes transport to / from most major U.S. ports
 - Imports / exports from U.S. east coast ports to / from Asia
 - Exports from Gulf Coast ports (New Orleans / Baton Rouge) to Asia
 - Imports / exports from U.S. west coast ports to / from Europe
 - Inter-U.S. ports trade (transiting from east coast to west coast ports and vice versa)

Only 13%

of the cargo through the Canal is going to / from China.

13,000 ships transit the Panama Canal every year; Less than 4% of them are US flagged

Total of 500 U.S. flagged vessels

400 to 420 of those are U.S. commercial vessels

80 to 100 of those are U.S. military related vessels

The Panama Canal shortens maritime travel between the Atlantic and Pacific Oceans by 8,000 miles.

- Without it, ships would need to navigate around the southern tip of South America, through the Strait of Magellan or Cape Horn, which would add extra time, cost and risk.
- It costs less for a vessel to pay the fee to transit the Panama Canal than the costs incurred by the extra travel to avoid it. (Fuel consumption alone would exceed the cost of the transit fees.)

TOP CARRIERS THROUGH THE PANAMA CANAL

- 1) MSC (Switzerland)
- 2) Maersk (Denmark)
- 3) Evergreen (Taiwan)
- 4) COSCO Shipping Lines (China)
- 5) Zim Integrated Shipping Services (Israel)
- 6) Wan Hai Lines (Singapore)
- 7) CMA / CGM (France)
- 8) Hapag Lloyd (Germany)

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- The Panama Canal Authority operates separately from the government, with its own budget and contract regulations.

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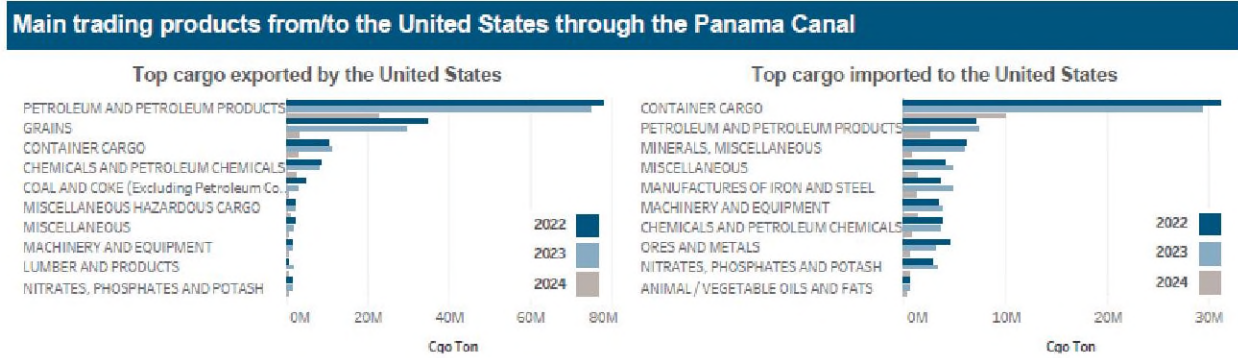
There are 5 ports adjacent to the Canal

- Panama Ports Cristobal - operated by Hutchison Port Holdings (Hong Kong)
- Panama Ports Balboa - operated by Hutchison Port Holdings (Hong Kong)
- Colon Container Terminal operated by Evergreen Marine (Taiwan)
- Manzanillo International Terminal operated by Carrix, Inc. (US)
- Port of Rodman Terminal operated by PSA International (Singapore)

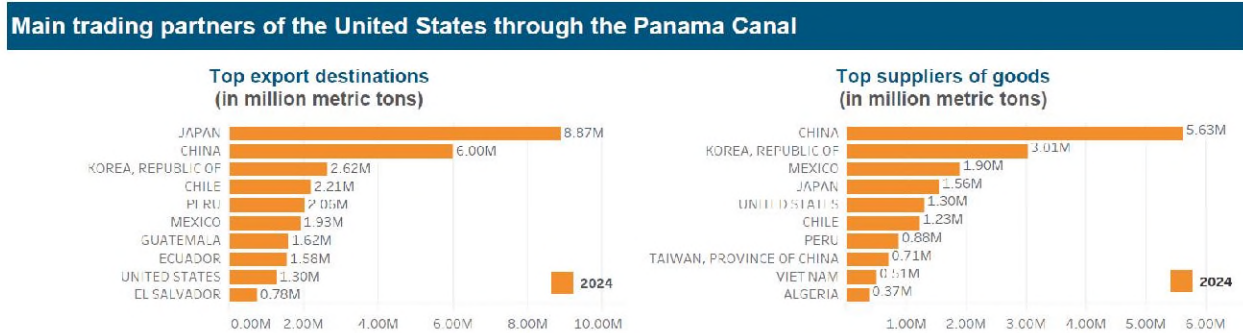
1. What products transit to/from the US and from which countries (and tonnage)

Answer:

In the next we show the main products that transit the Panama Canal to/from the US:



In the next chart you can appreciate, from which countries are those products:



2. What are the companies that transit the canal, country of company.

Answer:

These are the TOP 50 customers (from 900 customers registered) and their country or origin that transited the Panama Canal from 2022 to 2024, by total of transits:

	CUSTOMER NAME	CUSTOMER COUNTRY
1	MAERSK A/S	DENMARK
2	TRAFIGURA BEHEER B.V.	GREECE
3	NIPPON YUSEN KAISHA (NYK LINE)	JAPAN - NOW JPN
4	MEDITERRANEAN SHIPPING CO.	SWITZERLAND
5	CMA CGM	FRANCE
6	MITSUI O.S.K.	JAPAN
7	BALTIC SHIPPING	SOVIET REP
8	NAVIERA ULTRANAV LIMITADA	CHILE
9	CHINA COSCO SHIPPING CORPORATION LIMITED	(CHINESE P REP)
10	BW GAS A/S	NORWAY
11	WILHELMSSEN LINES AS	SWEDEN
12	HAPAG LLOYD	GERMANY

13	ZIM AMERICAN INTEGRATED SHIPPING SERVICES CO. INC.	ISRAEL
14	DAMPSKIBSSELSKABET NORDEN AS	DENMARK
15	EVERGREEN MARINE LATIN AMERICA S.A.	PANAMA
16	OCEAN NETWORK EXPRESS PTE LTD	SINGAPORE
17	CARGILL INTERNATIONAL	UNITED STATES
18	SEATRADE REEFER CHARTERING NV	BELGIUM
19	CHEVRON SHPG.CO.	UNITED STATES
20	SEABOARD MARINE LTD.	UNITED STATES
21	BBC CHARTERING AND LOGISTICS GMBH N/A	GERMANY
22	CORAL MARINE LIMITED	UNITED STATES
23	SHELL INTL TRADING & SHIPPING CO.	UNITED KINGDOM
24	KAWASAKI KISEN K LINE	JAPAN - NOW JPN
25	SATELLITE PETROCHEMICAL USA CORP	UNITED STATES OF AMERICA
26	GEOGAS	SWITZERLAND
27	VALERO MARKETING AND SUPPLY CO.	UNITED STATES
28	VITOL SERVICES LTD.	UNITED KINGDOM
29	HMM Co., Ltd.	SOUTH KOREA
30	GLOVIS / CAR CARRIER BUSINESS TEAM	SOUTH KOREA
31	SWISSMARINE SERVICES SA	SWITZERLAND
32	CLEARLAKE SHIPPING LTD	SINGAPORE
33	PAN OCEAN CO., LTD.	SOUTH KOREA
34	SK SHIPHOLDING	SOUTH KOREA
35	BUNGE S.A.	SWITZERLAND
36	STATOIL ASA	NORWAY
37	ODFJELL TANKERS ASA	NORWAY
38	U.S. NAVY M.S.C.	UNITED STATES
39	SCORPIO SHIPMGMT	MONACO
40	BGN INTERNATIONAL DMCC	UNITED ARAB EMIRATES
41	GLENCORE HK	SWITZERLAND
42	PACIFIC BASIN AGCS.	HONG KONG
43	PENFIELD SHIPPING CO. LLC	UNITED STATES
44	TOTAL GAS POWER LTD.	SWITZERLAND
45	HOEGH, LEIF	NORWAY
46	PETREDEC SERVICES LIMITED	UNITED KINGDOM
47	TORM, D/S	DENMARK
48	WESTERN BULK CARRIERS (W.B.C.) OSLO	NORWAY
49	FLOPEC	ECUADOR
50	WATERFRONT SHIPPING CO., LTD. - VANCOUVER	CANADA

3. *Transits by flag.*

In the following chart we show the total number of ships that transited the Panama Canal during FY 2024, by flag of the ship:

Flag by country	FY 2024 Transits
LIBERIA	1,894
PANAMA	1,387
MARSHALL ISLANDS	1,272
SINGAPORE	922
HONG KONG	682
BAHAMAS	669
MALTA	653
NORWAY	331
PORTUGAL	264
UNITED STATES	224
DENMARK	203
CYPRUS	169
JAPAN	159
ANTIGUA AND BARBUDA	114
ISLE OF MAN	100
GERMANY	99
KOREA, REPUBLIC OF	91
NETHERLANDS	85
COLOMBIA	68
CHINA	57
FRANCE	57
GREECE	54
CAYMAN ISLANDS	46
UNITED KINGDOM	42
ITALY	39
BERMUDA	33
BELGIUM	32
SWEDEN	22
INDIA	19
THAILAND	15
VIET NAM	15
PHILIPPINES	13
SAUDI ARABIA	13
BARBADOS	10
CROATIA	9
GIBRALTAR	8
MEXICO	6
CANADA	5
TURKEY	5
CAMEROON	4
SPAIN	4

VANUATU	4
GABON	3
LIBYAN ARAB JAMAHIRIYA	3
PERU	3
POLAND	3
SAINT VINCENT AND THE GRENADINES	3
VENEZUELA	3
BULGARIA	2
CHILE	2
ECUADOR	2
LATVIA	2
LITHUANIA	2
MALAYSIA	2
RUSSIAN FEDERATION	2
BANGLADESH	1
BELIZE	1
COSTA RICA	1
CURACAO	1
GUINEA-BISSAU	1
INDONESIA	1
JORDAN	1
LUXEMBOURG	1
MONTENEGRO	1
SWITZERLAND	1
TAIWAN, PROVINCE OF CHINA	1
TANZANIA, UNITED REPUBLIC OF	1
TUVALU	1
Total	9,943

4. Summary of toll increases since 2000

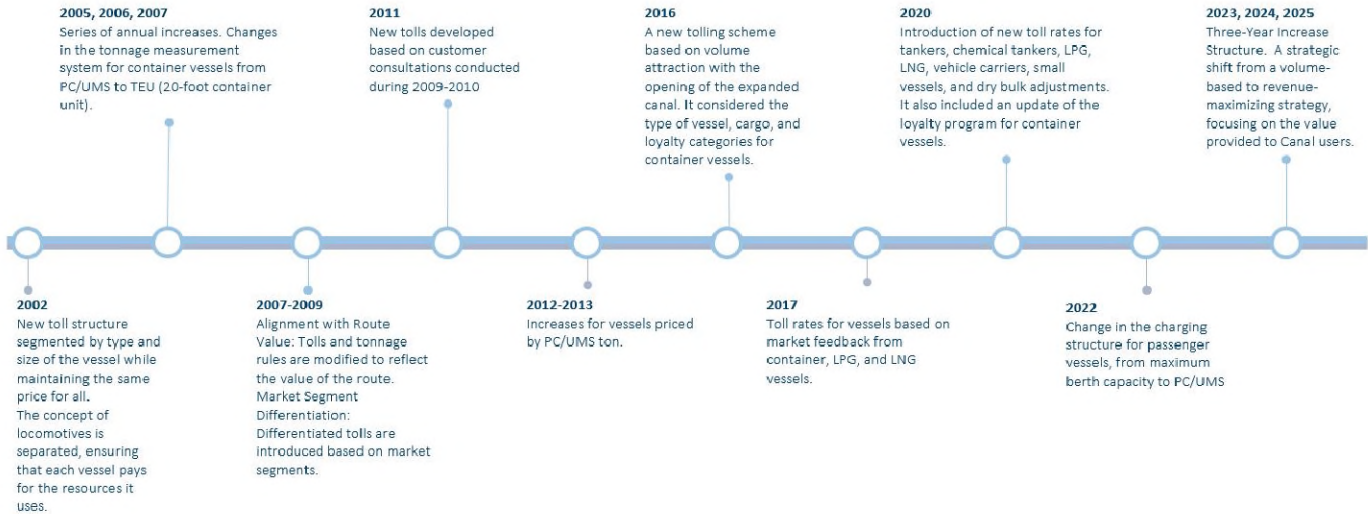
Answer:

In order to answer the question, we require to clarify that cost of transiting the Panama Canal consists of tolls and other maritime services.

- Tolls: constitute the payment made by vessels for using the Canal. The toll is composed of a fixed rate, based on the size of the vessel (regular, super, and neopanamax), and a variable rate based on the vessel's capacity.
- Other Maritime Services: These correspond to charges for services rendered by the Canal during transit according to the standard operating procedure, and/or surcharges originated by physical or operational deficiencies of the vessel at the time of transit. Among these are related services (tugboats, line handlers, locomotives) and security services, inspection, water surcharges, reservations and/or auctions, oil spill response, and cleanup program, *among*

other additional services required by the vessel during transit due to deficiencies that may affect Canal operations.

In the following chart we show the evolution of tolls only, since 2000:



In the following chart we show the changes in displacement tolls only (Includes dredges, floating dry-docks and warships, per ton of maximum displacement), since 1998:



5. Auction inventory and price ranges by year since 2000

Answer:

The Auction scheme was launched in 2006 to provide an alternative for customers who have reduced possibilities to obtain a booking slot (Reservation System tiebreaker). Base prices vary between \$15K and \$100K depending on the vessel category size Regular, Super and Neopanamax ¹.

- Until 2019 there was one fixed auctioned slot per day in the Panamax locks, Regular or Super, provided that all the slots were allocated through the Reservation System.

¹ Regular vessels: whose beam is less than 27.74 meters (91 feet). (Panamax locks)
 Super vessels: whose beam is greater than or equal to 27.74 meters (91 feet) and less than 32.61 meters (107 feet) and length less than 294.44 meters (966 feet) and draft up to 12.04 meters (39.5 feet). (Panamax locks)
 Neopanamax vessels: whose beam is greater than or equal to 32.61 meters (107 feet) and/or length greater than 294.44 meters (966 feet).
 Panamax Plus vessels: All Panamax sized vessels authorized to transit in the Neopanamax locks with a freshwater draft greater than 12.04 meters (39.50 feet) up to 15.24 meters (50.0 feet).

- In 2020 we offered two fixed auctioned slots per day in the Panamax locks, one for Regular and one for Super, provided that all the slots were allocated through the Reservation System. At the end of 2020, we started to offer any booking slot that became available between 7-2 days before the date of transit in the Neopanamax locks.
- In 2021 we began to offer one fixed slot in the Neopanamax locks on a daily basis, plus one fixed slot on a weekly basis due to provide an alternative for customers who have reduced possibilities to obtain a booking slot (specially for Dry bulk Panamax plus, LNG and LPG).
- In 2022 we started to offer two auctioned slots subject to certain operational conditions.
- In 2023 we added one fixed slot on a daily basis in Neopanamax locks, plus any slot that became available three days before the day of transit.
- During the water crisis (end of 2023 – mid of 2024) the Canal implemented an operational water management strategy to allocate scarce slots more efficiently and fairly to customers with lower possibilities to obtain a booking slot, we offered between three to four fixed auctioned slots per day (1 Neopanamax, 1 Regular and 2 Super).
- After the water crisis we reduced the number of fixed auctioned slots per day from four to three.

Average prices were driven by operational, climate and/or market conditions. Below you will find a table with detailed information about slots, base prices and average prices per year for your reference.

Year	Fixed auction inventory per day	Base price	Average price
2000 - 2005			
2006	1	Super \$25K	\$ 54,970
2007	1	Super \$25K /Regulars \$10K	\$ 62,268
2008	1	Super \$35K /Regulars \$15K	\$ 93,486
2009	1	Super \$35K /Regulars \$15K	\$ 32,528
2010	1	Super \$35K /Regulars \$15K	\$ 30,108
2011	1	Super \$35K /Regulars \$15K	\$ 43,292
2012	1	Super \$35K /Regulars \$15K	\$ 54,206
2013	1	Super \$35K /Regulars \$15K	\$ 43,395
2014	1	Super \$35K /Regulars \$15K	\$ 62,469
2015	1	Super \$35K /Regulars \$15K	\$ 63,716
2016	1	Super \$35K /Regulars \$15K	\$ 135,688
2017	1	Super \$35K /Regulars \$15K	\$ 55,746
2018	1	Super \$35K /Regulars \$15K	\$ 44,561
2019	1	Super \$35K /Regulars \$15K	\$ 47,808
2020	*2	Super \$35K /Regulars \$15K	\$ 96,027
2021	*3	Neo \$35K /Super \$35K /Regulars \$15K	\$ 101,740
2022	**3	Neo \$100K /Super \$55K /Regulars \$15K	\$ 157,715
2023	***3-4	Neo \$100K /Super \$55K /Regulars \$15K	\$ 217,596
2024	***3-4	Neo \$100K /Super \$55K /Regulars \$15K	\$ 340,578
2025	***3	Neo \$100K /Super \$55K /Regulars \$15K	\$ 100,782

*Any booking slot that became available between 7-2 days before the date of transit in the Neopanamax locks

**Any booking slot that became available between 7-2 days before the date of transit in the Panamax and Neopanamax locks + two additional auctioned slots provided that certain operational conditions.

***Any booking slot that became available between 7-2 days before the date of transit in the Panamax and Neopanamax locks