



JAPANESE SHIPOWNERS' ASSOCIATION

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H.E. Mr Carlos Pere
Ambassador of Panama to Japan and Consul General of Panama in Tokyo
Embassy of the Republic of Panama in Japan
2F Samon Building, 2-21-7 Higashi-Azabu,
Minato-ku, Tokyo, 106-0044, Japan

Dear Ambassador Pere,

On behalf of the Japanese Shipowners' Association (JSA), I am writing to you with reference to the Panama Canal Water Conservation Strategies published on 13 January by the Panama Canal Authority (ACP).

The JSA is very much embarrassed that the new fees, which can be said to be substantially another tolls hike, will be introduced on 15 February before its enforcement of the main parts of the "2020 tolls system modification" in April, which has been introduced through intensive discussion with the users including the JSA. It is evident that the "2020 tolls system modification" does not include such new fees.

We believe that the operating fund for the Canal should essentially be covered by the toll itself, which, we understand, has currently a significant yearly surplus. If the ACP intends to establish a new fee to cope with the long-term water issues, including the exploitation/development of several new water sources which are reportedly under ecological assessments, the ACP should firstly present all concrete measures and propose the required fund (including the way and amount to share the burden with Canal customers), then followed by a full discussion with the users and related entities.

The JSA regrets to say that the ACP's clarification of the background, reason and the use of the fees to date is not enough to introduce new fees at the moment and therefore requested early this week the ACP to provide much more of an explanation and procedures before implementing the measures (especially concerning fees).

The JSA also has grave concern about the too short notice period before 15 February, the implementation date, and a substantial level of tolls/charges increase, which may confuse the Canal users including shippers.

We understand that the Administrator of the ACP is currently on the trip to Europe and we are pleased to learn that he will meet ICS (International Chamber of Shipping) Secretary General in London today. I sincerely hope that this meeting will be mutually beneficial.

I am grateful for your understanding on this urgent issue and would be very much obliged if you could extend every possible assistance to us and convey our deep embarrassment and concern to your home country.

Yours sincerely,



Tadaaki Naito

President

Japanese Shipowners' Association