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## Panama Canal to cut some tolls in June

*Tuesday, 05 May, 2009*

Journal of Commerce reported that, in a concession to financially pressed shipping lines, the Panama Canal Authority will cut back some tolls and fees while giving carriers greater flexibility in reserving movements through the canal.

But the canal authority also left in place new toll increases going into effect May 1st 2009, rejecting calls to put off the increases. The new fee structure starting June 1st 2009 will temporarily reduce tolls on largely empty containerships and charges for transit reservations. The canal authority said the temporary measures are designed to help mitigate the impact of the crisis on the Canal's clients.

Because of the global economic recession and the resulting slump in trade, the major global shipping lines and shipping organizations have been urging the canal authority to delay the toll increases that went into effect May 1st 2009. But a reduction in tolls on ships in ballast and in reservation fees from June 1st 2009 to September 30th 2009 are the only concessions the authority was willing to make.

Mr Rodolphe Saade CEO & VP of CMA CGM said that the line was in discussions with both the Panama Canal and the Suez Canal authorities about lowering tolls or postponing scheduled toll increases. He added that "They do understand the situation. It seems that the Panama Canal is ready to make a move, while we have not heard yet from the Suez Authority."

The Panama Canal Authority said it will modify the definition of ballast for full container vessels, allowing a ship that carries 30% or less of its capacity to be charged the ballast rate of USD 57.60 per TEU, USD 14.40 less than the USD 72 laden ships with cargo rate. It will also reduce the base reservation price depending on the vessel size for all segments that use the reservation system.

The authority said that the temporary measures also allow more flexibility for slot substitutions. The canal authority will now allow shipping lines 30 days before the date of a vessel's transit to request slot substitutions without additional costs. Previously, shipping lines could make such requests without an additional charge if that request was made at least 60 days prior to the date of transit. The canal authority said this temporary measure grants shipping lines more flexibility for slot substitutions, allowing them to replace one vessel for another with similar dimensions.

(Sourced from Journal of Commerce)

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