



Panama Canal Disruption Charges

Since 1 January 2023, the Panama Canal Authority (PCA) has been imposing a "Disruption Charge" on vessels with deficiencies. These charges can be as high as USD 250,000 and Gard members have reported numerous cases of this charge being levied since its introduction.

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The Panama Canal Authority introduced the "Disruption Charge" tariff to minimize transit delays and/or disruptions by reducing vessel incidents during transit and to encourage vessels to rectify the deficiencies or report them in a timely manner if they cannot be rectified.

Financial impact

A disruption charge is applied to vessels whose transits are aborted or interrupted, due to conditions or deficiencies present prior to or during transit or harbour movements. The charge can be classified as "low impact" or "high impact", based on the deficiency matrix and when it is reported or detected. In some cases, the level of the impact will depend on the type of deficiency. The charge ranges from USD 15,000 to USD 250,000 and is often coupled with additional costs for other applicable maritime services such as tugs, line handlers, moorage, and pilotage.

Understanding the charge

The PCA issued additional explanatory advisories and notices describing the scope, classification (low/high impact), providing examples of [triggering deficiencies and procedural rules](#). [Application of the charge to harbour movements \(within the PCA channel\) became effective as of 1 July 2023 as stated in \[Advisory To Shipping No. A-23-2023\]\(#\).](#)

Vessels that present or develop deficiencies while in the channel will have 30 minutes from the time the deficiency is reported or detected to correct the deficiency or condition to avoid the application of the disruption charge. However, based on our correspondent's experience, this grace period is rarely applied in practice.

Appeal against the charge

There is no specific "process" to challenge these bills. If a party wants to fight this legally, the avenues available are:

- (a) a constitutional challenge (an "Amparo de Garantias") or
- (b) an administrative-contentious claim against the ACP, seeking to nullify the bills.

Both options require filing a legal claim with the Supreme Court of Panama.

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According to our correspondent, a constitutional challenge is very unlikely to succeed. The administrative claim is untested and could take many years to resolve.

The ACP is open to discussing disruption charges on a case-by-case basis. Our correspondent is aware of at least one instance where the ACP reconsidered a potential charge for 'disruption'.

Case studies

Machinery related

- *Main Engine Failure:* While approaching Miraflores Locks, the vessel experienced a main engine failure. To ensure safety, the locks were passed at minimal load, and the vessel then anchored at Gatun Lake. The liner was replaced due to excessive wear beyond permissible limits, incurring a disruption charge of USD 125,000.

A similar incident with a Neo Panamax vessel resulted in a disruption charge of USD 250,000.

- *Engine Telegraph Malfunction:* While the vessel was in the first locks (Atlantic Side), an issue with the M/E telegraph was identified. However, the vessel maintained maneuvering capability throughout the transit. The crew promptly addressed the situation, operating the engine via the local controls. Upon exiting the Locks, the Canal Authorities advised the vessel to anchor to verify the M/E status, which was confirmed to be normal. Despite successful inspection, the vessel was escorted by a tug to Buoy 1 at the Pacific Entrance and was levied a disruption charge of USD 250,000.

- *Unable to achieve Engine RPMs:* A vessel was unable to provide more than 40 RPMs (slow ahead) during the transit. The vessel requested over an hour for repairs. Due to unreliable engine performance and inability to generate the necessary RPMs, the transit was aborted, and the vessel was anchored in Gatun Anchorage with assistance from a tug. A high impact disruption charge of USD 125,000 was levied.

- *Starting Air Line Failure:* Before entering the Agua Clara Locks, the vessel conducted comprehensive engine testing. However, upon approaching the lock, the crew observed a rapid drop in starting air pressure, caused by a failed bursting disc on the #6 unit's starting airline. The crew immediately informed the pilot, and replaced the disc, but it failed again after engine movement began. The vessel was forced to anchor, and a disruption charge of USD 250,000 was applied.

Corroded cargo tank

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- Some oil cargo leaked into the ballast tank due to corrosion in the bottom plating of the cargo tank, creating holes. The owners arranged temporary repairs before transit. Consequently, the transit was cancelled, and a High Impact Disruption Charge was imposed. A concern remains that contact with Port #6 ballast tank during transit could result in pollution, highlighting environmental risks.

Exceeding draft limits

- After passing the Gatun Locks, the Port Captain ordered the vessel to drop anchor in the lake because its draft (12.10m) exceeded the permitted limit of 12.04m. A disruption charge of USD 125,000 was levied for this violation.

High temperature on bridge

- A disruption charge of USD 125,000 was imposed after the temperature on the bridge and in the pilot cabin was recorded at 28.5°C. Advisory No. A-11-2023, mandates maintaining temperatures between 21°C and 26°C.

Anchor winch problem

- As the vessel prepared to enter the Panama Canal, it was unable to heave the anchor due to damage in the windlass gear. This caused delays in the convoy schedule. Inspection revealed that there was excessive wastage in some of the common links. After repairs, the vessel had to shift to the inner anchorage for inspection before rescheduling the transit. A disruption charge of USD 125,000 was levied for this incident.

Recommendations

To help owners, managers, and masters avoid disruption charges, our correspondent recommends the following key actions:

- Familiarise yourself with common deficiencies to ensure a thorough understanding of all Panama Canal requirements.
- Conduct proactive pre-arrival and pre-departure checks to identify and resolve any potential issues before the vessel's transit.
- Report all known deficiencies early and transparently. The Panama Canal Authority requires all known deficiencies to be reported at least 96 hours prior to arrival via the Panama Maritime Single Window (VUMPA). Early disclosure can be a crucial step toward avoiding a charge or mitigating its impact.

We would like to thank our correspondent, C.Fernie & Co., S.A. for their contribution to this alert.

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Useful links:

- [Tariff list](#)
- [Vessel deficiency matrix](#)
- [Frequently asked questions](#)
- [Advisory to Shipping No. A-11-2023](#)(Temperature to be maintained in the wheelhouse and pilot cabin).
- [Advisory To Shipping No. A-23-2023](#)(Additional Information Regarding the Disruption Charge for Harbor Movements)
- [Advisory to Shipping No. A-38-2022](#)(Additional Information Regarding the Complementary Tariffs Effective January 1, 2023)

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