

No. 21088

**UNITED STATES OF AMERICA
and
PANAMA**

**Agreement in implementation of article IV of the Panama
Canal Treaty (with annexes and agreed minutes).
Signed at Washington on 7 September 1977**

Authentic texts: English and Spanish.

Registered by the United States of America on 22 June 1982.

**ÉTATS-UNIS D'AMÉRIQUE
et
PANAMA**

**Accord relatif à la mise en application de l'article IV du
Traité du canal de Panama (avec annexes et procès-
verbal approuvé). Signé à Washington le 7 septembre
1977**

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 22 juin 1982.

AGREEMENT¹ IN IMPLEMENTATION OF ARTICLE IV OF THE PANAMA CANAL TREATY²

Whereas, the United States of America and the Republic of Panama have signed on this date the Panama Canal Treaty² to regulate the system pertaining to the operation, maintenance, administration, protection and defense of the Panama Canal in harmony with the Charter of the United Nations;

Whereas, the Republic of Panama shall permit the United States to use certain parts of its territory for the protection and defense of the Panama Canal, with the participation of the Panamanian Armed Forces as is established under article IV of the Panama Canal Treaty subscribed on this date;

Whereas, in order to determine the system applicable to the members of the Armed Forces of the United States, the civilian component, and dependents, accompanying them during their stay in the Republic of Panama for the specific purposes of the Panama Canal Treaty, and as the two Governments may otherwise agree, and for the purpose of regulating the use of the defense sites;

Pursuant to the Panama Canal Treaty, the following has been agreed upon:

Article I. DEFINITIONS

(1) “Defense Sites”: Those areas, and the installations within them, which the Republic of Panama by this Agreement permits the United States Forces to use for the specific purposes of the Panama Canal Treaty, and as the two Governments may otherwise agree, a list of which is set forth in paragraph (1) of annex A of this Agreement.

(2) “United States Forces”: The land, sea and air armed services of the United States of America.

(3) “Members of the Forces”: The military personnel of the United States Forces on active duty who are in the Republic of Panama for the specific purposes of the Panama Canal Treaty, and as the two Governments may otherwise agree.

This term includes those military personnel of the United States Forces on active duty and present in the Republic of Panama on temporary duty from other stations, or on board aircraft or vessels of the United States Forces which are in transit or visiting on official business.

Solely for purposes of the privileges authorized under articles X, XI, and XVIII of this Agreement, this term also includes those military personnel of the United States Forces on active duty, assigned to other stations and present in the Republic of Panama on official leave.

(4) “Members of the civilian component”:

(a) Nationals of the United States, to whom United States passports have been issued, who are employed by the United States Forces and assigned to the defense sites in the Republic of Panama.

¹ Came into force on 1 October 1979, the date of the entry into force of the Panama Canal Treaty, in accordance with article XXII of the Agreement.

² See p. 3 of this volume.

- (b) Nationals of third countries employed by the United States Forces, who are assigned to the defense sites and who are not habitual residents of the Republic of Panama.
- (c) Other categories of persons which could be agreed upon as exceptions by the two Governments.

This term includes personnel on temporary duty and civilian crew members of aircraft and vessels of the United States Forces which are in transit or visiting on official business.

For the purpose of this definition, presence in connection with employment by the United States Forces shall not be considered as residence in the Republic of Panama.

(5) "Dependents": The spouse and children of members of the Forces or of the civilian component, and other relatives who depend on them for their subsistence and who habitually live with them under the same roof.

Article II. NON-INTERVENTION PRINCIPLE

The members of the Forces or the civilian component, dependents, and designated contractors of the United States Forces shall respect the laws of the Republic of Panama and shall refrain from any activity inconsistent with the spirit of this Agreement. Especially, they shall abstain from all political activity in the Republic of Panama as well as from any interference in the internal affairs of the Republic.

The United States shall take all measures within its authority to ensure that the provisions of this article are fulfilled.

Article III. JOINT COMMITTEE

(1) A Joint Committee shall be established which shall start to function upon the entry into force of this Agreement and which shall be composed of a representative of the United States of America and of the Republic of Panama at the level and rank to be agreed upon by both Governments, and who may have one or more deputies, on a parity basis.

(2) The Joint Committee shall perform the functions specifically indicated by the provisions of this Agreement, and others entrusted to it by both Governments concerning the implementation of this Agreement.

(3) The Joint Committee shall determine its rules of procedure within the spirit of this Agreement and may designate the subcommittees it may deem necessary for the fulfillment of its functions.

(4) The Joint Committee shall be organized in such a manner that it may meet promptly and at any time upon request of the representative of the United States or of the Republic of Panama. The Joint Committee shall send a monthly report on its activities to the Governments of the United States and the Republic of Panama.

(5) The Joint Committee shall refer to the two Governments, for their consideration through appropriate channels, any matters which it has not been able to resolve.

Article IV. USE OF DEFENSE SITES

(1) The United States Forces may use the defense sites listed in paragraph (2) of annex A of this Agreement. Moreover, annex A includes a list of military areas of coordination which may be used by the Armed Forces of both Governments in accordance with annex B to this Agreement.

(2) Annex A of this Agreement shall be examined every two years or upon the request of either Government, and shall be revised to reflect any agreed elimination or change in areas. The United States Forces may notify the Republic of Panama at any time that the use of a defense site or a military area of coordination, or of a specified portion thereof, or other right granted by the Republic of Panama is no longer required. Under such circumstances, said use or other right shall cease on the date determined by the two Governments.

(3) The United States Government may, at any time, remove from the Republic of Panama, or dispose of in the Republic of Panama in accordance with conditions to be agreed upon by the two Governments, all equipment, installations, material, supplies or other removable property brought into, acquired or constructed in the Republic of Panama by or for the United States Forces. Property left by the United States in a defense site after the date the use of such site by United States Forces ceases shall, unless agreed otherwise by the two Governments, become the property of the Republic of Panama.

(4) At the termination of any activities or operations under this Agreement, the United States shall be obligated to take all measures to ensure insofar as may be practicable that every hazard to human life, health and safety is removed from any defense site or a military area of coordination or any portion thereof, on the date the United States Forces are no longer authorized to use such site. Prior to the transfer of any installation, the two Governments will consult concerning: (a) its conditions, including removal of hazards to human life, health and safety; and (b) compensation for its residual value, if any exists.

(5) The United States Forces shall have responsibility for control of entry to the defense sites. The Republic of Panama may share in the exercise of this control, in a manner to be agreed upon in the Joint Committee. Necessary signs, in Spanish and English, requested by the United States Forces through the Joint Committee will be erected outside the defense sites, expressing that the sign is erected under the authority of the Republic of Panama.

(6) Since the Republic of Panama is a signatory to the Latin American Denuclearization Treaty (Tlatelolco),¹ the United States shall emplace no type of nuclear armament on Panamanian territory.

(7) The Joint Committee will constitute the means of communication and information between the two Governments with regard to matters pertaining to the implementation of this article.

Article V. FLAGS

(1) All of the territory of the Republic of Panama, including the defense sites, shall be under the flag of the Republic of Panama and, consequently, within such sites the Panamanian flag shall always occupy the position of honor. Within

¹ United Nations, *Treaty Series*, vol. 634, p. 281.

the defense sites, the flag of the United States shall also be flown jointly with the Panamanian flag. The Joint Committee shall determine the manner of displaying the flags.

(2) At the entrances, outside the defense sites, only the flag of the Republic of Panama will be flown.

Article VI. CRIMINAL JURISDICTION

(1) The authorities of the Republic of Panama shall have jurisdiction over members of the Forces or the civilian component, and dependents, with respect to offenses arising from acts or omissions committed in the Republic of Panama and punishable under the laws of the Republic of Panama. Nevertheless, the Republic of Panama permits the authorities of the United States to exercise criminal jurisdiction within defense sites, and, consequently, to have the primary right to exercise jurisdiction over acts which are criminal acts according to United States law, and which are committed within such sites by members of the Forces or the civilian component, or dependents.

(2) The Republic of Panama also permits the authorities of the United States to have the primary right to exercise criminal jurisdiction over members of the Forces or the civilian component, and dependents, for any offense committed outside the defense sites, in the following cases:

- (a) If the offense is solely against the property or security of the United States. It is understood that offenses against the security of the United States include: treason or sabotage against the United States, espionage or violation of any law relating to official secrets of the United States or to secrets relating to the national defense of the United States.
- (b) If the offense is solely against the person or property of a member of the Forces or the civilian component, or a dependent.
- (c) If the offense arises out of an act or omission done in the performance of official duty, in which case, when requested by the Panamanian authorities or when the military authorities of the United States may deem it necessary, the military authorities of the United States shall issue a certificate establishing that the offense originated from an act or omission occurring in the performance of official duty. Panama shall consider this certificate as sufficient proof for the purposes of this paragraph, or shall request a review by the Joint Committee within ten days from the receipt of the certificate. The Joint Committee shall complete its review within ten days from the receipt of the request, except when more thorough consideration is required, in which case the Joint Committee shall complete its review within thirty days.

A substantial deviation from the duties which a person is required to perform in a specific mission shall generally indicate an act or omission not occurring in the performance of official duty, and, consequently, the military authorities of the United States will not consider it necessary to issue a certificate of official duty.

(3) The provisions of this article notwithstanding, the Republic of Panama shall always reserve the right to exercise jurisdiction over members of the civilian component and dependents who are Panamanian nationals or habitual residents of Panama.

(4) The authorities of the Government having the primary right to exercise jurisdiction over an offense shall give sympathetic consideration to any request from the authorities of the other Government for permission to exercise jurisdiction. Such requests may be discussed in the Joint Committee.

(5) (a) The appropriate authorities of the United States and of the Republic of Panama shall assist each other in the arrest of members of the Forces or the civilian component, and dependents, and in their delivery to the authority which is to have custody in accordance with the provisions of this article.

(b) The authorities of the Republic of Panama shall notify the authorities of the United States as promptly as possible of the arrest of any member of the Forces or the civilian component, or a dependent.

(c) The following procedure shall govern the custody of an accused member of the Forces or the civilian component, or a dependent, over whom the Republic of Panama is to exercise jurisdiction:

- (i) If the accused is detained by the United States authorities, he shall, except when charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, remain with such authorities pending the conclusion of all judicial proceedings and thereafter until custody is requested by the authorities of the Republic of Panama for the execution of a sentence.
- (ii) If the accused is detained by the authorities of the Republic of Panama he shall, except when charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, be handed over on request to the United States authorities in whose custody he shall remain until completion of all judicial proceedings and thereafter until custody is requested by authorities of the Republic of Panama for the execution of a sentence.
- (iii) When charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, the accused shall be handed over to Panamanian authorities upon their request, or if already in their custody, shall remain with them. In these cases the authorities of the Republic of Panama shall give sympathetic consideration to requests for custody by the United States authorities.

(6) (a) The United States authorities shall give full consideration to special requests regarding conditions of custody made by the authorities of the Republic of Panama.

(b) When the accused is in the custody or has been delivered into the custody of the United States authorities he must, upon request by the authorities of the Republic of Panama, be made available to them for the purposes of investigation and trial. This obligation of the United States to ensure the appearance of an accused member of the Forces or the civilian component, or a dependent, will be deemed to satisfy the bail requirement set by the laws of the Republic of Panama.

(7) (a) The authorities of the United States and the Republic of Panama shall assist each other in carrying out all necessary investigations of offenses and in the collection and production of evidence, including the seizure and, in proper cases, the delivery of objects connected with an offense and the appearance of witnesses as necessary.

(b) The authorities of the United States and the Republic of Panama shall, upon request by the other Government, inform each other of the status of cases referred to under the provisions of this article.

(8) The authorities of the United States shall not carry out a death sentence in the Republic of Panama. As is provided in the laws of the Republic of Panama, a member of the Forces or the civilian component, or a dependent, who has been convicted by a Panamanian court shall not be subject to the death penalty or to any form of cruel and unusual punishment or treatment.

(9) When an accused member of the Forces or the civilian component, or a dependent, has been tried in accordance with the provisions of this article by the authorities of the United States or by the authorities of the Republic of Panama and has been acquitted, or has been convicted and is serving, or has served, his sentence, or has been pardoned, he shall not be tried again for the same offense within the territory of the Republic of Panama. However, nothing in this paragraph shall prevent the military authorities of the United States from trying a member of the Forces for any violation of rules of discipline arising from an act or omission which constituted an offense for which he was tried by the authorities of the Republic of Panama.

(10) Whenever a member of the Forces or the civilian component, or a dependent, is tried by the Panamanian authorities, he shall be entitled to the procedural guarantees listed in annex D of this Agreement.

(11) At any time during the detention by the authorities of the Republic of Panama of a member of the Forces or the civilian component, or a dependent, the Panamanian authorities shall permit the military authorities of the United States to visit said member or dependent. Members of his immediate family may visit him weekly. Material and medical assistance (such as food, clothing and comfort items) which the United States authorities and members of his immediate family may consider desirable, and any other assistance which is in accordance with or allowed by Panamanian prison regulations, may be provided to him on such visits.

(12) The Joint Committee will constitute the means of communication and information between the two Governments with regard to matters pertaining to the implementation of this Article.

Article VII. CIVILIAN EMPLOYMENT

The following principles shall govern civilian employment by the United States Forces:

- (1) In order to set forth their rights and obligations as the employer, the United States Forces shall draw up regulations which shall contain the terms, conditions and prerequisites for all categories of their civilian employees. These regulations shall be provided to the Republic of Panama through the Joint Committee.
- (2) In conformity with the principles of the labor laws of the Republic of Panama, such regulations shall establish employment preferences in all levels for Panamanian applicants possessing the requisite skills and qualifications. Accordingly, the United States Forces shall endeavor to ensure that the number of Panamanian nationals employed by them in relation to the total number of civilian employees will conform to the proportion established

under Panamanian law. Similarly, the terms, conditions and prerequisites for the employment of Panamanian personnel shall conform with the general principles contained in the labor laws of the Republic of Panama.

- (3) All civilian employees of the United States Forces, except those who are nationals of the Republic of Panama or who have obtained permanent resident status therein, shall be subject to a system of periodic rotation which will limit their period of employment by the United States Forces in the Republic of Panama. The regulations providing for such rotation shall be provided to the Republic of Panama through the Joint Committee.
- (4) With regard to wages, there shall be no discrimination on the basis of nationality, sex or race. Payments by the United States Forces of additional remunerations to persons of any nationality, including Panamanian citizens, who are recruited outside of Panama and must therefore change their place of residence, shall not be considered to be discrimination for the purposes of this Article.
- (5) The United States Forces shall take the measures called for under the laws of the Republic of Panama with regard to the application of the tax and social security laws to their employees who are subject to Panama's taxation and social security system, including withholding of tax or social security payments from their salaries.

Article VIII. ACQUISITION OF PANAMANIAN SUPPLIES AND SERVICES

(1) The United States Forces shall give preference to the procurement of supplies and services obtainable in the Republic of Panama. Such preference shall apply to the maximum extent possible when such supplies and services are available as required, and are comparable in quality and price to those which may be obtained from other sources. For the comparison of prices there will be taken into account the cost of transport to the Republic of Panama, including freight, insurance and handling, of the supplies and services which compete with Panamanian supplies and services. In the acquisition of goods in the Republic of Panama, preference shall be given to goods having a larger percentage of components of Panamanian origin.

(2) Any regulations which may be necessary to carry out this preference shall be agreed upon in the Joint Committee.

Article IX. TELECOMMUNICATIONS

(1) The Republic of Panama, in the exercise of its sovereign power over its telecommunications, authorizes the United States Forces to use the communications networks and communications-electronics installations within the defense sites, and to use the radio frequencies and transportable equipment as may be necessary for their requirements, in order to accomplish the specific purposes of the defense of the Canal, and as the two Governments may otherwise agree. The Joint Committee may adopt regulations to govern the use of such transportable equipment outside of the defense sites.

Any use presently being exercised of such networks, installations, frequencies and equipment, for purposes other than those herein authorized, shall be subject to the provisions contained in the Panama Canal Treaty, including those relating to any separation of non-military telecommunications that may be deemed necessary.

(2) The Republic of Panama also authorizes the United States Forces to use installations such as those described in the preceding paragraph already existing outside the defense sites, which serve to accomplish the purposes of the defense of the Canal, and as the two Governments may otherwise agree.

Those already existing installations outside the defense sites may be guarded by authorities of the Republic of Panama. The United States Forces shall have access to such installations for appropriate operation, maintenance, and replacement.

(3) Provided that they are available and suitable for the purpose, the United States Forces shall use, to the maximum extent possible, the telecommunications services of the Republic of Panama in order to meet their needs, but the applicable rates shall be no less favorable than those charged to governmental agencies of the Republic of Panama.

(4) The United States Forces shall provide the Government of the Republic of Panama a list of all frequencies authorized or in use by the United States Forces. This list shall be submitted through the Joint Committee in ascending frequency order and shall contain as a minimum the power, bandwidth, and type of emission.

(5) The Republic of Panama undertakes not to authorize the use of any frequency which would interfere with those in use by or for the United States Forces or which they may use in the future in accordance with the Panama Canal Treaty and this Agreement.

(6) The Republic of Panama authorizes the United States Forces to use codes, ciphers, and other secure cryptographic means necessary for the specific purposes of the defense of the Panama Canal, and as the two Governments may otherwise agree.

(7) All provisions regarding telecommunications in this Article shall be in accordance with the obligations of both Governments as members of the International Telecommunication Union and the various relevant international agreements to which both Governments are signatories.

(8) Any communication with the International Telecommunication Union regarding the subject matter of this article shall be effected exclusively by the Republic of Panama.

(9) The radio and television services of the United States Forces operating within the Republic of Panama, will:

- (a) Announce at the start and termination of each day's broadcast that the emissions are authorized by the Republic of Panama; and
- (b) In television programs originating locally, not use announcers appearing in military uniform.

(10) The Joint Committee may adopt any further regulations as may be necessary to implement the provisions of this article, including necessary technical coordination.

Article X. MILITARY POST OFFICES¹

(1) The United States may establish, maintain and operate, within the defense sites, military post offices for the exclusive use of the United States

¹ See "Exchange of notes constituting an agreement between the United States of America and Panama concerning postal services, Washington, 7 September 1977" on p. 305 of this volume.

Forces, the members of the Forces or the civilian component, and dependents, and for the use of such other persons and agencies as may be agreed upon as exceptions by the two Governments through the Joint Committee. Such post offices shall transmit mail only between themselves or between themselves and other United States post offices.

(2) The United States Forces shall take all necessary measures to prevent the unauthorized use of the military post offices. The Panamanian authorities shall periodically inform the authorities of the United States, through the Joint Committee, of all applicable provisions of Panamanian laws, and the United States Forces shall, within their legal capacity, ensure that such provisions are complied with.

(3) The military post offices in the Republic of Panama shall not have direct representation before any international postal organization.

(4) The Republic of Panama may establish post offices within the defense sites, the location of which shall be agreed upon in the Joint Committee, for the transmission of mail between the defense sites and any other areas not authorized to the military post offices by this Agreement.

Article XI. COMMISSARIES, MILITARY EXCHANGES AND OTHER SERVICE INSTALLATIONS¹

(1) The United States may establish, regulate and use within the defense sites, commissaries, military exchanges, military banking facilities, credit unions, recreational, social and athletic facilities, schools, sanitation and medical facilities, and other categories of service facilities as may be periodically agreed upon by the two Governments through the Joint Committee, for the exclusive use of the members of the Forces or the civilian component, and dependents, and for such other persons as may be agreed upon by the two Governments as exceptions through the Joint Committee. These service facilities and their activities, such as the import, purchase, sale and distribution of merchandise, medicine and services, shall be free of taxes, duties, liens, licenses, fees and other charges imposed by the Republic of Panama or any of its political subdivisions.

In order to take advantage of existing installations, the United States Forces may continue to use those installations already in existence outside of the defense sites, which are specified in paragraph (4) of annex A.

(2) The military banking facilities shall be branches or agencies of banking entities duly authorized to engage in the banking business in Panama. The Government of the Republic of Panama may authorize the installation and operation within the defense sites, at locations agreed upon by the Joint Committee, of branches or agencies of Banco Nacional or other official banking entities of the Republic of Panama.

(3) It is the express objective and purpose of both Governments that the articles and services sold or provided at the commissaries and military exchanges be for the exclusive use of the authorized persons. To that end the United States

¹ See "Exchange of notes constituting an agreement between the United States of America and Panama relating to the use of commissary and post exchange facilities, Washington, 7 September 1977", on p. 297 of this volume.

Forces shall, upon request, inform the Panamanian authorities, through the Joint Committee, as to the classification, nature and quantity of certain articles and services sold or provided at such establishments.

(4) With respect to the preceding paragraph, the Republic of Panama and the United States shall jointly take all the necessary measures to prevent the unauthorized use of such activities and the abuse by those who are authorized. Such measures shall include the obtaining of pertinent information and the carrying out of any verifications that may be necessary by Panamanian authorities. The procedure to be followed for these purposes shall be agreed upon by the Joint Committee.

(5) The Government of the United States shall apply appropriate disciplinary sanctions to the members of the Forces or the civilian component, and dependents, or other persons authorized as exceptions who abuse the privileges granted in this article and commit violations in that respect. In such cases, the United States authorities shall give sympathetic consideration to requests from the Panamanian Government to exercise jurisdiction.

(6) The service facilities referred to in this article shall grant to Panamanian supplies and services the preference referred to in article VIII.

Article XII. CONTRACTORS AND CONTRACTORS' PERSONNEL

(1) Whenever contracts are required by the United States Forces for the performance of services or the procurement of supplies, the United States Forces shall adhere to the preferences for Panamanian sources set forth in article VIII of this Agreement.

(2) Whenever contracts are awarded by the United States Forces to natural persons who are nationals or permanent residents of the United States or to corporations or other legal entities organized under the laws of the United States and under the effective control of such persons, such contractors shall be so designated by the United States Forces and such designations shall be communicated to the Panamanian authorities through the Joint Committee. Such contractors shall be subject to the laws and regulations of the Republic of Panama except with respect to the special regime established by this Agreement, which includes the following obligations and benefits:

- (a) The contractor must engage exclusively in activities related to the execution of the work for which he has been contracted by the United States Forces, or related to other works or activities authorized by the Republic of Panama.
- (b) The contractor must refrain from carrying out practices which may constitute violations of the laws of the Republic of Panama.
- (c) The contractor shall enter and depart from the territory of the Republic of Panama in accordance with procedures prescribed for members of the civilian component in article XIII of this Agreement.
- (d) The contractor must obtain a certificate of professional identity which the proper authorities of the United States Forces shall issue when they are satisfied he is duly qualified. This certificate shall be sufficient to permit him to operate under Panamanian law as a contractor of the Forces. Nevertheless, the Panamanian authorities may require the registration of the appropriate documents to establish juridical presence in the Republic of Panama.

- (e) The contractor shall not be obliged to pay any tax or other assessment to the Republic of Panama on income derived under a contract with the United States Forces as long as he is taxed at a substantially equivalent rate in the United States.
- (f) The contractor may move freely within the Republic of Panama, and shall have exemptions from customs duties and other charges, as provided for members of the civilian component in articles XV and XVII of this Agreement.
- (g) The contractor may use public services and installations in accordance with the terms and conditions of article XIV of this Agreement, but shall pay non-discriminatory highway tolls and taxes on plates for private vehicles.
- (h) The contractor shall be exempt from any taxes imposed on depreciable assets belonging to him, other than real estate, which are used exclusively for the execution of contracts with the United States Forces.
- (i) The contractor may use the services and facilities provided for in articles X and XVIII of this Agreement to the extent such use is authorized by the United States Forces.

(3) The United States Forces shall withdraw the designation of a contractor when any of the following circumstances occur:

- (a) Upon completion or termination of the contracts with the United States Forces;
- (b) Upon proof that such contractors are engaged in business activities in the Republic of Panama other than those pertaining to the United States Forces, without authorization of the Republic of Panama;
- (c) Upon proof that such contractors are engaged in practices which in the view of the Republic of Panama constitute serious violations of the applicable laws of the Republic of Panama.

(4) The authorities of the United States shall notify the authorities of the Republic of Panama whenever the designation of a contractor has been withdrawn. If, within sixty days after notification of the withdrawal of the designation of a contractor who entered Panama in the capacity of a contractor, the authorities of the Republic of Panama require such contractor to leave its territory, the United States Government shall ensure that the Republic of Panama shall not incur any expense due to the cost of transportation.

(5) The provisions of this article shall similarly apply to the subcontractors and to the employees of the contractors and subcontractors and their dependents who are nationals or residents of the United States. These employees and dependents shall not be subject to the Panamanian Social Security System.

Article XIII. ENTRY AND DEPARTURE

(1) The United States may bring into the territory of the Republic of Panama members of the Forces or the civilian component, and dependents, for the specific purposes of the Panama Canal Treaty, and as the two Governments may otherwise agree.

(2) (a) In order to enter or leave the territory of the Republic of Panama, the members of the Forces shall be obligated to bear only a personal identity card and individual or collective travel documentation issued by the military

authorities of the United States. Such documentation must be presented to the Panamanian authorities. The two Governments shall establish through the Joint Committee the procedure to be followed in exceptional cases.

(b) To enter or leave the territory of the Republic of Panama, the members of the civilian component and dependents must possess, in addition to the travel documentation issued by the United States military authorities, a valid passport. Such documentation shall be presented to the appropriate authorities of the Republic of Panama.

(c) The United States Forces shall furnish each member of the Forces or the civilian component, and dependent, who remains in the Republic of Panama for longer than thirty days, an identity card which shall be issued under the authority of the Joint Committee in Spanish and English. Children under the age of ten years may be included on the identity card of a parent at the option of the parent. These identity cards shall be shown to the appropriate authorities of the Republic of Panama upon request.

The authorities of the Republic of Panama may request information concerning the number of such cards outstanding and the validity of any particular card. The Joint Committee and the United States Forces shall provide such information.

(3) Whenever the status of any member of the Forces or the civilian component, or dependent, is altered so that, at the time of such alteration, he is no longer entitled to remain in the Republic of Panama, the United States Forces shall promptly notify the Panamanian authorities, and shall, if requested within a period of sixty days thereafter, ensure that transportation from the Republic of Panama will be provided at no cost to the Government of the Republic of Panama.

(4) (a) The members of the Forces or the civilian component, and dependents, shall be exempted from fiscal charges relating to their entry, stay in, or departure from the territory of the Republic of Panama. Similarly they will be exempted from obligatory services established in favor of the Republic of Panama. They shall not acquire any right to permanent residence or domicile in the Republic of Panama.

(b) Members of the Forces or the civilian component who enter the Republic of Panama to execute professional services exclusively for the United States Forces, or in its behalf, shall not be subject to the licensing regimes of the Republic of Panama, but they shall limit their professional activity to such services with the United States Forces for the specific purposes of the Panama Canal Treaty, or as the two Governments may otherwise agree.

Article XIV. SERVICES AND INSTALLATIONS

(1) The United States Forces, members of the Forces or civilian component, and dependents, may use the public services and installations belonging to or regulated by the Government of the Republic of Panama, but the terms and conditions of use, prices, rates and tariffs and priorities shall not be unfavorable in relation to those charged other users.

(2) For the use of public services and installations made available through a plant acquired or constructed, or equipment furnished, by the United States Government and subsequently transferred free to the Government of the Republic

of Panama, preferential charges shall be granted to the United States Forces taking these circumstances into account.

(3) The United States Forces may establish and operate the supporting services and facilities it requires within the defense sites, and exceptionally, with the authorization of the Government of the Republic of Panama, outside such sites.

(4) The Republic of Panama will permit the United States Forces to continue to use in an adequate manner, accessory facilities, such as pipelines, communications, sanitation services and utilities, which serve the defense sites and are installed on land outside the defense sites. The United States Forces shall, at their cost, maintain and repair these facilities as necessary, in coordination with the proper entities of the Republic of Panama. Detailed identification of such facilities shall be made through the Joint Committee, within a period of six months from the entry into force of this Agreement unless extended by the Joint Committee for exceptional circumstances. The two Governments shall agree, through the Joint Committee, upon procedures to govern the appropriate use, access, maintenance and repair of these facilities. Similarly, procedures shall be agreed upon for coordination between the United States Forces and the competent Panamanian entities, concerning the use, access, maintenance and repair of such facilities as may serve the Republic of Panama and are situated within the defense sites.

*Article XV. MOVEMENT, LICENSES AND REGISTRATION
OF VESSELS, AIRCRAFT AND VEHICLES*

(1) (a) When in the performance of official duties, the vessels and aircraft operated by or for the United States Forces may move freely through Panamanian air space and waters, without the obligation of payment of taxes, tolls, landing or pier charges or other charges to the Republic of Panama and without any other impediment.

(b) Such vessels and aircraft shall be exempt from customs inspections or other inspections. Whenever the same carry freight, crews or passengers who are not entitled to the exemptions provided for in this Agreement, prior notice shall be given to the appropriate Panamanian authorities. Both Governments shall adopt procedures to ensure that the laws and regulations of the Republic of Panama are not violated.

(2) (a) Similarly, the vehicles and equipment of the United States Forces may, when in the performance of official duties, move freely in the Republic of Panama, without the obligation of payment of taxes, tolls or other charges to the Republic of Panama and without any other impediment. These vehicles and equipment shall be exempt from mechanical or other inspection.

Claims arising from damage caused by the United States Forces to the Panamanian road network outside the defense sites, in excess of the usual wear and tear by reason of time and its appropriate use, shall be settled as provided for in article XX.

(b) Such official vehicles and equipment shall not be assessed any license or registration fees. These vehicles shall bear their customary United States military identification marks and an additional means of identification as may be agreed upon by the Joint Committee, to be issued under the authority of said Joint Committee and distributed by the United States Forces.

(c) In connection with the movement of any military convoys, or any large number of vehicles as a single unit, outside of the defense sites, the United States Forces shall consult with the Combined Board so that, if time and circumstances permit, proper traffic arrangements will be made, including accompaniment by Panamanian traffic patrols.

(3) (a) The plates, individual marks and registration documents issued by the United States for vehicles, trailers, vessels and aircraft which are the property of the United States Forces shall be accepted by the Republic of Panama.

(b) The Republic of Panama shall recognize as sufficient, the valid licenses, permits, certificates or other official classifications from the United States Government, possessed by operators of vehicles, vessels and aircraft which are property of the United States Government.

(4) (a) The vehicles, trailers, vessels and aircraft belonging to the members of the Forces or the civilian component, or dependents, shall also move freely within the Republic of Panama, in compliance with the traffic regulations and those regarding the annual mechanical inspection. The license plate fee and other obligations shall not be discriminatory.

(b) The Republic of Panama shall issue, in accordance with its laws, the appropriate documents of title and registration of vehicles, trailers, vessels and aircraft which are the property of the members of the Forces or the civilian component, or dependents, when the latter present title and registration, issued by the federal or state authorities of the United States or by the authorities of the former Canal Zone. Applicants may retain such documents provided they leave with the Panamanian authorities a copy authenticated by the United States Forces, duly translated into Spanish.

While the corresponding request is being processed and within a term which may not exceed thirty days after its arrival in the Republic of Panama, the means of transportation mentioned above may be operated with the plates or distinctive marks issued by the United States federal or state authorities.

(c) The members of the Forces or the civilian component, and dependents, who bear drivers' licenses, vessel operators' permits, or licenses and classifications of air pilots issued by the federal or state authorities of the United States or by the authorities of the former Canal Zone, shall receive equivalent Panamanian licenses, permits and classifications without being subjected to new tests or payments of new fees. The applicants may retain the licenses, permits and classifications of the United States or the former Canal Zone provided that they leave with the Panamanian authorities a copy authenticated by the United States Forces and duly translated into Spanish. Members of the Forces or the civilian component, and dependents, shall be permitted to drive vehicles, vessels or aircraft in the Republic of Panama with such licenses, permits and classifications during the thirty days following their first arrival in the Republic of Panama and during the subsequent period necessary for the processing of the application in Panama for a driver's license, vessel operator's permit, or license and classification as an air pilot.

(d) The Panamanian licenses, permits or classifications shall be valid for the period of time indicated in the Panamanian law and, during the continuous presence of the bearer in Panama, shall, to preserve their validity, be renewed in accordance with Panamanian laws.

Whenever Panamanian laws may require medical certifications for the renewal of licenses, permits or classifications the Republic of Panama shall accept the certifications issued by the medical services of the United States Forces, provided that said certifications are issued in Spanish.

(e) The Republic of Panama shall issue, in accordance with its laws, drivers' licenses, vessel operators' permits, and licenses and other classifications of air pilots to members of the Forces or the civilian component, and dependents, when they do not possess such documents. If any test is required as a prerequisite for the issuance of the documents mentioned, Panama shall permit the interested persons to take the examination in Spanish or English. Any material which the Republic of Panama may generally issue in preparation for such examinations shall be furnished, in Spanish or English, as the applicant may request.

(5) Aircraft other than those of Panama and the United States may use the runways of the defense sites only after obtaining appropriate authorization from the Republic of Panama. When deemed convenient, the two Governments shall adopt, through the Joint Committee, regulations governing the use by such aircraft.

(6) The installation, change of position or alteration of lights and other signal installations to assist in navigation of aircraft, placed or established in the defense sites or in their surroundings, shall be subject to previous consultation between the appropriate authorities of both Governments.

(7) The Republic of Panama shall adopt such measures as may be appropriate to coordinate air traffic in the Republic of Panama, so that, in a manner consistent with the mission of the United States Forces, maximum safety shall be offered to civil and military air navigation. All systems of control and coordination of military air traffic shall be developed jointly as needed for the fulfillment of the specific purposes of this Agreement. The procedures needed to bring about this coordination shall be agreed upon by the appointed authorities of both Governments, respecting always the sovereignty of the Republic of Panama over all its air space.

The Republic of Panama agrees that, for security reasons, at the request of the United States Forces it shall restrict overflights of certain of the defense sites.

(8) The Joint Committee may agree on rules and procedures that may be necessary to implement this article.

Article XVI. TAXATION

(1) By virtue of this Agreement, the United States Forces are exempt from payment in the Republic of Panama of all taxes, fees or other charges on their activities or property, including those imposed through contractors or subcontractors.

(2) Members of the Forces or the civilian component, and dependents, shall be exempt from any taxes, fees, or other charges on income received as a result of their work for the United States Forces or for any of the service facilities referred to in articles XI or XVIII of this Agreement. Similarly, as is provided by Panamanian law, they shall be exempt from payment of taxes, fees or other charges on income derived from sources outside the Republic of Panama.

(3) Members of the Forces or the civilian component, and dependents, shall be exempt from taxes, fees or other charges on gifts or inheritance or on personal property, the presence of which within the territory of the Republic of Panama is due solely to the stay therein of such persons on account of their or their sponsor's work with the United States Forces.

(4) The Joint Committee may establish such regulations as may be appropriate for the implementation of this Article.

Article XVII. IMPORT DUTIES

(1) Except for the exemptions provided for in this Agreement, the members of the Forces or the civilian component, and dependents shall be subject to the laws and regulations administered by the customs authorities of the Republic of Panama.

(2) All property imported for the official use or benefit of the United States Forces, including that imported by their contractors or subcontractors, in connection with the various activities authorized under this Agreement, shall be exempt from the payment of all customs duties or other import taxes and charges and from all license requirements.

The United States Forces shall issue a certificate, following the form adopted by the Joint Committee, stating that the property being imported is for these purposes.

(3) Property consigned to or imported for the personal use of the members of the Forces or the civilian component, or dependents shall be subject to the payment of import duties or other import taxes, except for the following:

- (a) Furniture, household goods and personal effects imported by such persons for their private use within six months following their first arrival in the Republic of Panama. In the case of persons who are unable to obtain adequate housing when they first arrive in the Republic of Panama, an additional period of six months from the time they obtain adequate housing shall be granted them for the importation of such articles, provided that the United States Forces issue a certificate stating that the person concerned has not accomplished such importation and indicating the date upon which he obtained adequate housing and its address;
- (b) Vehicles imported by such persons for their private use, and the spare parts required for proper maintenance of such vehicles. The Joint Committee shall establish the limitations on the quantity and frequency of imports of such vehicles and parts;
- (c) A reasonable quantity of articles for the private use of such persons, imported as personal baggage or sent into the Republic of Panama through the military post offices of the United States;
- (d) Such other imports as may be expressly authorized by the competent authorities of the Republic of Panama at the request of the United States Forces.

(4) The exemptions granted in paragraph (3) of this article shall apply only to cases involving the importation of articles exempted at the time of entry and shall not be construed as obligating the Republic of Panama to reimburse customs duties and domestic taxes collected by the Republic of Panama in connec-

tion with purchases of goods from Panamanian sources subsequent to their importation.

(5) Customs inspections shall not be made in the following cases:

- (a) Members of the Forces traveling under orders, other than leave orders, who enter or depart from the Republic of Panama;
- (b) Official documents under official seal and mail sent through the military postal channels of the United States;
- (c) Cargo consigned to the United States Forces.

(6) Property imported under this article and subsequently transferred to a person who is not entitled to duty-free importation shall be subject to the payment of import duties and other taxes according to the laws and regulations of the Republic of Panama. Such sales shall not be permitted when they are motivated by commercial purposes.

(7) All property imported into the Republic of Panama free of customs duties and other taxes pursuant to paragraphs (2) and (3) of this article may be exported free of customs duties, export permits, or other export taxes and assessments. All property acquired in the Republic of Panama by, or in the name of, the United States Forces, or acquired by members of the Forces or the civilian component, or dependents, for their private use may be exported free of customs duties, export licenses or other export taxes and charges.

(8) The authorities of the United States agree to cooperate with the authorities of the Republic of Panama and shall take, within their legal authority, all such steps as may be necessary to prevent the abuse of the privileges granted under this article to the members of the Forces or the civilian component, or dependents.

(9) In order to prevent violations of the laws and regulations administered by the customs authorities of the Republic of Panama, the two Governments agree as follows:

- (a) The authorities of the Republic of Panama and the competent authorities of the United States shall mutually assist one another in the conduct of investigations and the collection of evidence.
- (b) The authorities of the United States shall take, within their legal authority, all necessary measures to ensure that articles subject to seizure by or in the name of the customs authorities of the Republic of Panama are delivered to these authorities.
- (c) The authorities of the United States shall take, within their legal authority, all necessary measures to ensure the payment by members of the Forces or the civilian component, and dependents, of such import duties, taxes, and fines as may be duly determined by the Panamanian authorities.

(10) Vehicles and articles belonging to the United States Forces that are seized from a person by the authorities of the Republic of Panama in connection with a violation of its customs or tax laws or regulations shall be delivered to the competent authorities of the United States Forces.

(11) The Joint Committee will constitute the means of communication and information between the two Governments with regard to matters pertaining to the implementation of this article.

Article XVIII. HEALTH, SANITATION AND EDUCATION

(1) The United States Forces may furnish educational, sanitary and medical services, including veterinary services, to the members of the Forces or the civilian component, and dependents, and other persons as may be agreed upon as exceptions by the two Governments through the Joint Committee.

(2) Matters of mutual interest relative to the control and prevention of diseases and the coordination of other public health, quarantine, sanitation and education services shall be the subject of coordination in the Joint Committee.

(3) The Republic of Panama authorizes the United States Forces, in rendering such health, sanitation and education services, to apply its own regulations.

Article XIX. SURVEYS

The United States may carry out topographic, hydrographic, agrolologic and other surveys (including taking of aerial photographs) within the defense sites. Surveys in other areas of the Republic of Panama shall require authorization from the Republic of Panama, in the manner agreed upon in the Joint Committee, and the Republic of Panama shall, at its option, designate a representative to be present. The United States shall furnish a copy of the data resulting from such surveys to the Republic of Panama at no cost.

Article XX. CLAIMS

(1) Each Government waives its claims against the other Government for damage to any property owned by it and used by its land, sea or air armed services, in the following circumstances:

- (a) If the damage was caused by a member or an employee of the armed services of the other Government, in the performance of his official duties; or
- (b) If the damage arose from the use of any vehicle, vessel or aircraft owned by the other Government and used by its armed services, provided either that the vehicle, vessel or aircraft causing the damage was being used for official purposes, or that the damage was caused to property being so used.

(2) In the case of damage caused or arising as stated in paragraph (1), to other property owned by either Government and located in the Republic of Panama, the claims shall be settled by the Government against which the claim is made. If it is not settled in due course, the claim may be pursued through diplomatic channels. Both Governments hereby waive the collection of any claims for an amount less than B1,400 or \$1,400 U.S. which are of equal value.

(3) In cases of maritime salvage, each Government waives its claims against the other if the vessel or cargo salvaged was the property of the other Government and was used by its armed services for official purposes.

(4) For the purposes of this article, any vessel chartered, requisitioned or seized in prize by a Government shall be considered its property (except to the extent that the risk of loss or liability is assumed by some other person than such Government).

(5) Each Government waives its claims against the other Government for injury or death suffered by any member of its armed services while said member was engaged in the performance of his official duties.

(6) The members of the Forces and the civilian employees of the United States Forces shall be subject to the jurisdiction of the civil courts of the Republic of Panama except in matters which arise from the performance of their official duty. In cases where payment has been accepted in full satisfaction of the claim, the civil courts of the Republic of Panama shall dismiss any proceeding concerning the matter.

(7) When personal private property subject to seizure or attachment by order of a competent authority under Panamanian law is within the defense sites, the United States authorities shall render, upon request of the Panamanian authorities, all assistance within their power in order that such property is turned over promptly to the Panamanian authorities. This paragraph shall not apply to personal property which, although privately owned, is in use by or on behalf of the United States Forces.

(8) Non-contractual claims arising from damages caused in the performance of their official duties by members or civilian employees of the United States Forces to third parties other than the two Governments shall be presented by the injured party through the Joint Committee to the appropriate authorities of the United States Forces for settlement. The authorities of the Republic of Panama may submit advice and recommendations on Panamanian law to the claim authorities of the United States for their use in evaluating liability and amount of damages.

(9) For other non-contractual claims against the members of the Forces or the civilian component, the authorities of the United States, following consultation with the appropriate authorities of the Government of Panama, shall consider the claim and, if appropriate, offer an *ex gratia* payment.

(10) The authorities of both Governments shall cooperate in the investigation and procurement of evidence for a fair disposition of claims under this article.

(11) Contractual claims against the United States Forces shall be settled in accordance with the dispute clause of the contracts, and in the absence of such clause, through presentation of claims to the United States authorities through the appropriate channels.

(12) The United States Government shall require contractors and subcontractors referred to in article XII of this Agreement to obtain appropriate insurance to cover the civil liabilities that may be incurred in Panamanian territory as a result of acts or omissions done in the performance of official duty by their employees. The Joint Committee shall establish the general standards for such insurance.

Article XXI. GENERAL PROVISIONS

(1) The activities and operations of the United States Government shall be carried out with adequate attention to public health and safety in the Republic of Panama. Within the defense sites, whose use Panama makes available to the United States by virtue of this Agreement, the United States authorities shall adopt all the appropriate measures to cooperate for these purposes with the authorities of the Republic of Panama.

(2) When required by their official duties, members of the Forces or the civilian component may possess and carry official arms and they will conform to any standards which the Joint Committee establishes. The members of the

Forces or the civilian component, and dependents, may bear private arms in accordance with applicable Panamanian laws and regulations, and regulations of the United States Forces.

(3) The members of the Forces shall be obliged to observe proper conduct in accordance with the order and discipline required by Panamanian laws and the military laws and regulations of the United States. The authorities of the Republic of Panama shall maintain vigilance that Panamanian laws and regulations shall be observed at all times.

When the order and discipline referred to in this paragraph should be breached by members of the Forces outside the defense sites, and the authorities of the Republic of Panama, for reasons of language differences or other circumstances, consider it convenient, they may request the presence of personnel of the police of the United States Forces to cooperate in the reestablishment of order and discipline, and, in such cases, the United States Forces shall be obliged to send them.

Within the defense sites, the police function shall be primarily exercised by the police of the United States Forces. The Panamanian authorities shall cooperate with the United States Forces in the fulfillment of this function, for which purpose they may locate members of the Panamanian police within the defense sites at the headquarters of the police of the United States Forces or as the Joint Committee agrees. Such cooperation shall be rendered particularly in those cases involving Panamanian nationals.

The Joint Committee may also agree on a procedure so that members of the Panamanian police and the police of the United States Forces may jointly conduct routine inspections for the maintenance of order and discipline in those places where vigilance is especially required.

(4) The United States Forces shall restrict, to the maximum extent possible, the wearing of military uniforms so that they will be worn only when necessary. The Joint Committee shall adopt standards regarding the wearing of military uniforms in other cases, as exceptions.

Article XXII. DURATION

This Agreement shall enter into force when the Panama Canal Treaty signed on this date enters into force and shall terminate at noon, Panama time, on December 31, 1999.

DONE at Washington, this 7th day of September 1977, in duplicate, in the English and Spanish languages, both texts being equally authentic.

FIRMADO en Washington, a los 7 días de septiembre de 1977, en los idiomas inglés y español, siendo ambos textos igualmente auténticos.

For the United States of America:
Por los Estados Unidos de América:

[Signed — Signé]¹

[Signed — Signé]²

For the Republic of Panama:
Por la República de Panamá:

[Signed — Signé]³

[Signed — Signé]⁴

¹ Signed by Ellsworth Bunker — Signé par Ellsworth Bunker.

² Signed by Sol M. Linowitz — Signé par Sol M. Linowitz.

³ Signed by Rómulo Escobar Bethancourt — Signé par Rómulo Escobar Bethancourt.

⁴ Signed by Aristides Royo — Signé par Aristides Royo.

ANNEX A

DEFENSE SITES, MILITARY AREAS OF COORDINATION
AND OTHER INSTALLATIONS

(1) The defense sites, military areas of coordination, and other installations, the use of which is made available by the Republic of Panama to the United States, are described below and identified, but not definitively, on the maps attached hereto* and referenced herein, in the manner indicated on the legends thereof. When areas or installations are depicted on more than one map of different scales, the identification on the map with the largest scale shall be controlling. More precise identifications and exact boundaries shall be agreed upon as soon as practicable by the Joint Committee established in article III of this Agreement after a Joint Survey to be conducted by representatives of the two Parties. When the aforementioned identifications have been completed and agreed upon, they shall be controlling as to the boundaries of the installations and areas described in this annex.

(2) The defense sites are described generally as follows:

- (a) Howard Air Force Base, Fort Kobbe, Farfan (including the Farfan Radio Receiver Facility, Farfan Annex), and United States Naval Station, Rodman, and Marine Barracks (including 193rd Brigade Ammunition Storage Area, Cocoli Housing Area and Arraijan Tank Farm) (attachment 1);
- (b) Fort Clayton Corozal Army Reservation and Albrook Air Force Station (west) (attachments 1, 2 and 3);
- (c) Fort William D. Davis Military Reservation, to include dock 45 and the adjacent water area and Atlantic general depot area (attachments 1 and 4);
- (d) Fort Sherman Military Reservation (attachment 1); and
- (e) Galeta Island; United States Navy Transisthmian Pipeline; and Semaphore Hill Long-Range Radar and Communications Link (attachment 1).

(3) (a) The Military Areas of Coordination are described generally as follows:

(i) General Military Areas of Coordination:

- (aa) Quarry Heights, except for housing made available to Panama pursuant to paragraph (5) (b) of annex B to this Agreement (attachments 1 and 5);
- (bb) United States Naval Station, Panama Canal, Fort Amador (attachments 1 and 6); and
- (cc) Fort Gulick (attachments 1 and 7).

(ii) Military Areas of Coordination for Training (attachment 1):

- (aa) Empire Range;
- (bb) Piña Range;
- (cc) Fort Sherman West; and
- (dd) Fort Clayton Training Area.

(iii) Military Areas of Coordination for Housing:

- (aa) Curundu Heights, except for housing made available to the Republic of Panama pursuant to paragraph (5) (b) of annex B to this Agreement (attachments 1 and 8);
- (bb) Herrick Heights (attachments 1 and 9);

* For General Map of the Land and Water Areas for the Operation and Defense of the Panama Canal, see attachment 1 [in a pocket at the end of this volume]. Other attachments have not been printed here. The map atlas is deposited in the archives of the Department of State where it is available for reference.

- (cc) Coco Solo South (attachments 1 and 10);
 - (dd) Fort Amador, except for buildings 1 through 9, 45 through 48, 51, 57, 64 and 93, and for housing made available to the Republic of Panama pursuant to paragraph (5) (b) of annex B to this Agreement (attachments 1 and 11);
 - (ee) France Field (attachments 1 and 12); and
 - (ff) Curundu Flats (attachments 1 and 8).
- (iv) Special Facilities:
- (aa) Curundu Antenna Farm (attachments 1 and 3);
 - (bb) United States Navy Communications Station, Balboa (attachments 1 and 6);
 - (cc) Summit Naval Radio Station (attachment 1);
 - (dd) Quarry Heights Communications Facility (tunnel) (attachments 1 and 5);
 - (ee) Ancon Hill Communications Facilities (attachments 1 and 5);
 - (ff) Battery Pratt Communications Facility (Coordinate 119326) (attachment 1);
 - (gg) Ammunition Supply Point, Fort Gulick (attachments 1 and 13);
 - (hh) Navy Communications-Electric Repair Facility (building 43-F) (attachments 1 and 14);
 - (ii) United States Army Transport-Shipping Facility (building 39-C) (attachments 1 and 14);
 - (ij) Gorgas Hospital Complex (buildings 223, 233, 237, 238, 240, 240-A, 241, 241-A, 242, 253, 254, 255, 257, 257-G, 261, hospital grounds, and building 424) (attachments 1 and 9);
 - (kk) Coco Solo Hospital (buildings 8900, 8901, 8902, 8904, 8905, 8906, 8907, 8908, 8910, 8912, 8914, 8916, 8920, 8922, 8926, tennis court, grounds and miscellaneous buildings and structures) (attachment 1);
 - (ll) Balboa High School (buildings 74, 701, 702, 704, 705, 706, 707, 713-X, Stadium, 723, 723-A, 723-B, 723-C, 723-D, 723-E, 723-F, 723-G, parking area, and play slab) (attachments 1, 14, 15 and 16);
 - (mm) Curundu Junior High School (buildings 0615-A, 0615-B, 0615-C, 0615-D, 0615-E, 0615-F, cooling tower structure, playgrounds, tennis courts, and equipment, storage and music buildings, swimming pool and bathhouse, and parking areas) (attachments 1 and 8);
 - (nn) Cristobal Junior Senior High School (buildings 1141, 1143, 1149, 1150, 1151, 1153, 1154, 1156, 1239, 1158, 1186, 1288, 2000, playfield, and parking areas) (attachments 1 and 10);
 - (oo) Balboa Elementary School (buildings 709, 710, playground, and parking area) (attachments 1, 15 and 16);
 - (pp) Diablo Elementary School (buildings 5534, 5536, 5634, 5636, 5638, playground, air conditioning building, and parking area) (attachments 1 and 17);
 - (qq) Los Rios Elementary School (buildings 6225, 6226, playground, parking area and chilled water building) (attachments 1 and 18);
 - (rr) Gamboa Elementary School (buildings 56, 56-A, playground, and parking area) (attachments 1 and 19);
 - (ss) Coco Solo Elementary School (buildings 98, 98-A, parking area, playground and chilled water building) (attachments 1 and 20);
 - (tt) Margarita Elementary School (buildings 8350, 8352, playground, parking area, chilled water building and storage building) (attachments 1 and 21);

- (*iii*) Fort Gulick Elementary School (buildings 351, 350, 352, playground and parking area) (attachments 1 and 7);
- (*iv*) Canal Zone College (buildings 1030, 1031, 1032, 1033, 1034, 1035, 980, 982, 838, athletic field and parking lots) (attachments 1, 15 and 22);
- (*v*) Ancon School Administration Office (partial use of Panama Canal Commission Building 0610) (attachments 1 and 9);
- (*vi*) Margarita Community Health Center (partial use of Panama Canal Commission Building 7998) (attachments 1 and 21);
- (*vii*) Gamboa Community Health Clinic (Use of Panama Canal Commission Building 63) (attachments 1 and 19);
- (*viii*) Ancon Dental Clinic (building 287-X, partial use of Panama Canal Commission Building 287) (attachments 1 and 9);
- (*ix*) Corozal Mental Health Center (buildings 6521, 6523, 6524, 6525, 6526, 6537 and grounds) (attachments 1, 18 and 23);
- (*x*) Corozal Animal Care Station/Veterinary Hospital (buildings 6553, 6554, 6555, and grounds) (attachments 1 and 18);
- (*xi*) Corozal Cemetery (buildings and facilities) (attachments 1, 18 and 23);
- (*xii*) Balboa Community Health Center (Use of Panama Canal Commission Building 721) (attachments 1 and 15); and
- (*xiii*) Coco Solo Community Health Center (room in building 1140) (attachments 1 and 20).

(*b*) The following installations, not contiguous to the defense sites or Military Areas of Coordination, which shall be subject to the provisions of the Panama Canal Treaty and this Agreement applicable to the Military Areas of Coordination are described generally as follows:

- (i) Buildings 430, 433 and 435 in the Corozal Antenna Field (attachments 1 and 2);
- (ii) AAFES Warehouse, buildings 1008 and 1009 (attachments 1 and 3);
- (iii) United States Army Meddac Warehouses, buildings 490 and 1010 (attachments 1 and 3);
- (iv) Defense Mapping Agency—Inter-American Geodetic Survey Headquarters and Warehouse, buildings 1019, 1007 and 1022 (attachments 1 and 3);
- (v) Balboa West bombing range, as defined by coordinates PA 350056, PA 381074, PV 433990 and PV 404970 (attachment 1);
- (vi) United States Navy Salvage Storage Area, building 29-B (attachments 1 and 14);
- (vii) United States Army NBC Chambers, buildings 922, 923, 924, 925, 926 and 927 (attachments 1 and 8);
- (viii) United States Air Force Communications Group storage/training facility, building 875 (attachments 1 and 8);
- (ix) Inter-American Air Force Academy Jet Engine Test Cell, building 1901 (attachments 1 and 8);
- (x) Quarry Heights Motor Pool (building 159) (attachments 1 and 5);
- (xi) Ammunition Transfer Point, Cerro Pelado (coordinates 415083) (attachment 1);
- (xii) Fort Amador (buildings S-103, 104, 105, 105-A, 105-B, 107, 110, 190, 218, 228, 229, 268, 270) (attachments 1 and 11); and
- (xiii) Mindi Veterinary Clinic (buildings 27, 52, 53, 54 and grounds) (attachment 1).

(c) The following Areas described in paragraph (a) above shall cease to be Military Areas of Coordination three years from the entry into force of this Agreement:

- (i) Curundu Antenna Farm;
- (ii) Curundu Heights Housing Area; and
- (iii) Barracks facilities at Fort Gulick for a company of the Forces of the Republic of Panama in specific buildings as agreed in the Joint Committee.

(d) The following areas described in paragraph (a) above shall cease to be Military Areas of Coordination five years from the entry into force of this Agreement:

- (i) Fort Gulick, except for family housing, community service areas, and the ammunition storage facility; and
- (ii) France Field.

(e) The following areas described in paragraph (a) above shall cease to be Military Areas of Coordination during the life of this Agreement:

- (i) Fort Clayton Training Area;
- (ii) Fort Amador;
- (iii) Fort Gulick Family Housing, community service areas and the ammunition storage facility;
- (iv) Coco Solo Family Housing; and
- (v) That portion of the Curundu Flats Housing Area comprising the contractors' trailer housing area.

(4) The installations outside of the defense sites, which may be used as provided in article XI, are described generally as follows:

- (a) Miscellaneous facilities as follows: Post Exchange Facility in building 100, Coco Solo; packing and crating building 406, Albrook; Post Exchange warehouse, building 304; household goods crating warehouse, building 1081; Contractor's air conditioning facility, building 1002; and household goods warehouse, building 1067 (attachments 1, 3, 8 and 20);
- (b) Recreational Facilities as follows: Camp Chagres Boy Scout Camp at Madden Dam; and Surfside Theater at Naos Island (attachment 1); and
- (c) Post Exchange Facility, Curundu, buildings 1025, 1026 and 1027; Photo Shop Building 821 (attachments 1, 3 and 8).

ANNEX B

TERMS FOR ADMINISTRATION OF MILITARY AREAS OF COORDINATION

(1) *Purpose:* To establish and delineate the respective responsibilities of the United States Forces and the Forces of the Republic of Panama concerning certain areas which the Republic of Panama makes available for coordinated use by the United States Forces and the Forces of the Republic of Panama.

(2) *Definitions:*

(a) Military Areas of Coordination (sometimes hereinafter referred to as "Areas") are those areas, and the facilities within them, outside of defense sites, which the Republic of Panama by this Agreement authorizes the United States to use for purposes of communications and military training, and for housing and support of members of the Forces, the civilian component, and dependents; and for other purposes, as the two Parties may agree. A list of these Areas is set forth in annex A to this Agreement.

(b) Security includes those measures taken to provide physical protection and limit access to or egress from a Military Area of Coordination.

(c) Exterior security measures are applicable only outside the boundaries of Military Areas of Coordination.

(d) Interior security measures are applicable only inside the boundaries of Military Areas of Coordination.

(3) *General Conditions:*

(a) The Republic of Panama authorizes the United States to use and maintain Military Areas of Coordination for the purposes of the Panama Canal Treaty. Signs exterior to Military Areas of Coordination will indicate that such Areas are operated under a grant of authority from the Republic of Panama. Only the flag of the Republic of Panama shall be flown in Military Areas of Coordination, including at their entrances, except that, as provided in Article VII of the Panama Canal Treaty, the flags of both the Republic of Panama and the United States may be flown at the site of the Combined Board, which shall be located at Quarry Heights.

(b) All rights, privileges and immunities, which the United States possesses with respect to defense sites under this Agreement shall apply equally with respect to the Military Areas of Coordination, except as limited or excluded in this annex.

(c) The security of the Military Areas of Coordination shall be the combined responsibility of the United States Forces and the Forces of the Republic of Panama. The Forces of the Republic of Panama shall have the responsibility for maintaining exterior security for these Areas, except where the boundary of such an area coincides with the boundary of a defense site. The United States Forces may assist the Forces of the Republic of Panama in combined stations and patrols as mutually agreed. The senior United States Commander shall have the responsibility for interior security, including control of access to these Areas. Joint United States/Republic of Panama Military police patrols will be used within the Military Areas of Coordination, except within the Special Facilities referred to in paragraph 6 of this annex. The United States Forces shall be responsible for the command, supervision and protection of their personnel, facilities and equipment within the Areas. The Forces of the Republic of Panama shall be responsible for the command, supervision, and the protection of their personnel and equipment and of the facilities they use within the Areas. The members of the Forces, civilian component and dependents, shall have free unrestricted access to the Areas.

(d) No change in the basic character and functions of Military Areas of Coordination shall be made except by mutual consent of the United States Forces and Forces of the Republic of Panama through the Joint Committee or in accordance with article IV of this Agreement.

(e) The Combined Board, which is established in article IV of the Panama Canal Treaty, will be the body in which the United States Forces and the Forces of the Republic of Panama will consult regarding joint training in the Military Areas of Coordination, including construction of new training facilities.

(f) The Joint Committee, established in article III of this Agreement will be the body in which the United States Forces and the Armed Forces of the Republic of Panama will consult for the purpose of administration of the Military Areas of Coordination.

(g) All signs, posters, and notices of general interest within, and at the entrances to, Military Areas of Coordination will be written in the Spanish and English languages.

(h) A Liaison Office of the Forces of the Republic of Panama may be established within each Military Area of Coordination, as mutually agreed.

(i) The Republic of Panama authorizes the United States Forces to apply its own regulations concerning fire prevention, safety, and sanitation standards in Military Areas of Coordination.

(4) *Military Areas of Coordination for Training:*

(a) The Military Areas of Coordination for Training identified in annex A to this Agreement will be available to both the United States Forces and the Forces of the Republic of Panama for the conduct of training.

(b) The United States Forces shall have the responsibility for scheduling the use of the Training Areas for the duration of this Agreement.

(c) The United States agrees to increased use of Training Areas by the Forces of the Republic of Panama over the life of this Agreement, in accordance with agreed arrangements of the Combined Board.

(d) Except as otherwise provided in this annex, the United States Forces shall have the responsibility for internal control and management of the Training Areas.

(e) The Commanding Officer of the forces using the Training Areas at any given time will be responsible for the safety of all ranges and firing positions during such use, in accordance with established regulations, subject to the authority of the responsible United States Forces Commander only with respect to matters related to range safety.

(5) *Military Areas of Coordination for Housing:*

(a) Military Areas of Coordination for Housing are separately identified in annex A to this Agreement.

(b) These areas shall be available for occupancy by members of the Forces or the civilian component, and dependents. Selected housing units will be made available to the Republic of Panama, as may be mutually agreed.

(c) No new housing units will be constructed in Military Areas of Coordination by the United States.

(6) *Special Facilities:*

(a) Special facilities located in Military Areas of Coordination are separately identified in annex A to this Agreement.

(b) With respect to such special facilities, the United States authorities shall be responsible for all interior security to include entrance and exit guards. Only authorized personnel as determined by the United States authorities will be admitted to such facilities.

ANNEX C

APPLICATION OF PANAMANIAN SOCIAL SECURITY

(1) The provisions for Employee Social Security, retirement benefits, and health benefits coverage, set forth in paragraphs 1-4 of article VIII of the Agreement in implementation of article III of the Panama Canal Treaty shall be applicable, *mutatis mutandis*, to employees of the United States Forces and to those employees who may be transferred from the Panama Canal Commission to the United States Forces.

(2) (a) Non-United States citizen employees who are not covered by the Civil Service Retirement System of the United States, or employees paid by United States non-appropriated fund instrumentalities, shall be covered by Panamanian Social Security from the date this Agreement enters into force, with contributions paid by the insured and the employer according to the rates established by the Social Security Laws of the Republic of Panama.

(b) The United States shall request the necessary legislation to pay each such employee a retirement similar to that of the Social Security System of the Republic of Panama.

ANNEX D

PROCEDURAL GUARANTEES

A member of the Forces or the civilian component, or a dependent, prosecuted by the Panamanian authorities shall be entitled to the following procedural guarantees:

- (a) To a prompt and speedy trial;
- (b) To be informed, in advance of trial, of the specific charge or charges made against him;
- (c) To be confronted with and to be allowed to cross-examine the witnesses against him;
- (d) To have evidence and witnesses in his favor presented. The authorities shall submit such evidence and call the witnesses if they are within the Republic of Panama;
- (e) To have legal representation of his own choice for his defense during all investigative and judicial phases from the time of submission to questioning and throughout the entire proceedings; or, if he indicates he lacks funds for his defense, to be defended by the appropriate public defender;
- (f) To have the services of a competent interpreter if he considers it necessary;
- (g) To communicate with a representative of the Government of the United States and to have such a representative present, as an observer, at his trial;
- (h) Not to be held guilty on account of any act or omission which did not constitute a criminal offense under the law of the Republic of Panama at the time it was committed;
- (i) To be present at his trial which shall be public. However, without prejudice to the procedural guarantees in this annex, persons whose presence is not necessary may be excluded, if the court so decides for reasons of public order or morality;
- (j) In his proceedings to have the total burden of proof laden upon the Public Prosecutor or the prosecution;
- (k) To have the court consider only voluntary confessions and evidence properly obtained in accordance with the requirements of the law;
- (l) Not to be compelled to testify against or otherwise incriminate himself;
- (m) Not to be required to stand trial if he is not physically or mentally fit to stand trial and participate in his defense;
- (n) Not to be tried or punished more than once for the same offense;
- (o) To have the right to appeal a conviction or sentence;
- (p) To have credited to any sentence for confinement his entire period of pre-trial custody;
- (q) Not to be subject to the application of martial law or trial by military courts or special tribunals;
- (r) To enjoy other guarantees and rights provided for in the Constitution, Judicial Code and other laws of the Republic of Panama.

AGREED MINUTE TO THE AGREEMENT IN IMPLEMENTATION OF ARTICLE IV
OF THE PANAMA CANAL TREATY

1. With reference to paragraph 5(c) of article VI of the Agreement in implementation of article IV of the Panama Canal Treaty (hereinafter referred to as "the Agreement"), the five offenses under Panamanian law referred to therein are understood to be:

- (a) "Murder" means the intentional killing of one person by another.
- (b) "Rape" means the commission of an act of sexual intercourse by violence or threat and without consent with a person not his spouse, or with a person who is not capable of resisting by reason of mental or physical illness, or with a minor less than twelve years old.
- (c) "Robbery with violence" means the act of appropriating an object of value belonging to someone else with the purpose of depriving its owner of his possession and deriving benefit from it, using violence against such person or a third person present at the scene of the act.
- (d) "Trafficking in drugs" means the unlawful sale, exchange or transfer for gain of marihuana, hashish, heroin, cocaine, amphetamines, barbiturates, or L.S.D.
- (e) "Crimes against the security of the Panamanian State" means espionage, sabotage, or terrorism directed against the constituted powers or authorities of Panama, with the purpose of overthrowing them.

2. With reference to paragraphs (2) and (3) of annex A, it is understood that the United States agrees to the construction by the Republic of Panama of an Atlantic Coast Highway, and a new highway on the Pacific side of the Isthmus, at locations and with right of way widths to be mutually agreed. It is further understood that the bridge over the Canal, in each case, will be of a design sufficiently high so that it will not interfere with the operation of the Canal or with any improvement that may be made to the Canal.

3. With reference to paragraph (2)(a) of annex A, it is understood that the United States agrees to the construction by the Republic of Panama of a road from Panama City to Vera Cruz at a location to be agreed upon by the Parties, the use of which will be subject to certain agreed conditions and restrictions, which will include the following:

- The right of way through the defense site shall be used only for the construction, use and maintenance of the road.
- The United States Forces shall have access to the right of way and the right to cross it at any point.

It is understood that upon completion of such road, the access road through Howard Air Force Base to Vera Cruz may be closed by the United States to through traffic. It is further understood that the Republic of Panama will preclude any activity in the coastal areas in the vicinity of Kobbe and Venado Beaches which, in the determination of the United States Forces, might interfere technically with the activities of the United States Navy Receiver Site at Farfan, the United States Air Force communications activity in the vicinity of the Howard/Kobbe Defense Sites, and aircraft operations at Howard Air Force Base.

An illustrative listing of activities which would interfere with aircraft operations at Howard Air Force Base are as follows:

- Any construction within 1 kilometer on either side of the runway as extended to the sea.
- Construction of structures or objects more than 8 meters high in an area from 1 to 3 kilometers east of the runway as extended to the sea.
- Construction of structures or objects more than 8 meters high in an area from 1 to 2 kilometers west of the runway as extended to the sea.

It is further understood that the general public shall have free access to those portions of Venado and Kobbe Beaches lying within defense sites, in accordance with procedures to be developed by the Joint Committee.

4. With reference to paragraph (2)(b) of annex A, it is understood that the airstrip at Albrook Air Force Station which is transferred to the Republic of Panama as provided in article XIII of the Panama Canal Treaty, will not be used for any aviation flight purposes other than helicopter operations. It is further understood that the United States Forces may conduct helicopter operations on the west taxiways, adjacent grassy areas and runway at Albrook Air Force Station until such time as the Republic of Panama determines that development of this area adversely affects flight safety.

5. With reference to paragraph (2)(c), (2)(d), (3)(a)(ii)(bb) and (3)(a)(ii)(cc) of annex A, it is understood that the general public shall have free access to and use of the R-6, 836, R-2, S-10, S-2, and S-8 Roads.

6. With reference to paragraph (2)(e) of annex A:

- (a) It is understood that the Republic of Panama will restrict any activity within a 6,000 foot radius of the Galeta operating antenna (coordinates 238393) which, in the determination of the United States Forces, might interfere technically with the communications at Galeta. It is further understood that there will be no construction within a 10,500 foot radius of the Galeta operating antenna for purposes of heavy industry or of installations with high voltage electrical emission, unless the two Parties otherwise agree;
- (b) It is understood that the Republic of Panama shall keep the R-12 Road open from Coco Solo to Galeta Island; and
- (c) It is understood that the United States will consider authorizing use by the Republic of Panama of the Navy pipelines, under terms and conditions to be mutually agreed.

7. With reference to paragraph (3)(a)(i)(aa) of annex A, it is understood that the United States shall have use of and access rights to a helicopter landing site at grid coordinates 596898, in accordance with procedures to be developed by the Joint Committee.

8. With reference to paragraph (3)(a)(i)(bb) and (3)(a)(iii)(dd) of annex A, it is understood that the United States Forces and the Forces of the Republic of Panama will permit the general public to have free access to the Amador Road. It is further understood that the Joint Committee shall agree upon the location and operating procedures for a joint control point. Until such a new control point is established, the present entrance control point shall remain in operation and members of the Forces of the Republic of Panama shall participate with the United States Forces in its manning. It is also understood that joint patrols of the United States Forces and of the Forces of the Republic of Panama shall patrol the Amador Road. Such joint patrols shall be conducted in accordance with the procedures established for joint patrols in article XI of the Panama Canal Treaty. It is further understood that the members of the Forces of the Republic of Panama and of the United States Forces, the civilian component, and dependents shall have free access to and use of the beach at Naos Island.

9. With reference to paragraph (3)(a)(ii)(bb) and (cc) of annex A, it is understood that the Republic of Panama shall maintain the S-10 Road open from Escobal north along the West Bank of the Canal from coordinates 140115 to 160228 in order to permit access to and from Piña Range and Fort Sherman West Training Area.

10. With reference to paragraph (3)(a)(iii)(ff) of annex A, it is understood that joint military patrols of the United States Forces and the Forces of the Republic of Panama shall patrol the C-12 Road from coordinates 591939 to 601927. Such joint patrols shall be conducted in accordance with the procedures established for joint patrols in article XI of the Panama Canal Treaty.

11. With reference to paragraph (3)(a)(iv)(ee) of annex A, it is understood that the Republic of Panama will preclude any activity on Ancon Hill which, in the determination of

the United States Forces, might interfere technically with the communications activity of the United States Forces or of the Federal Aviation Administration on Ancon Hill.

12. With reference to paragraphs (3)(b)(ii), (iii) and (iv) and (3)(b)(vi) of annex A, it is understood that the following facilities shall cease to be areas of coordination as stated:

—United States Navy Salvage Storage Area, Building 29B: Five years from the entry into force of the Agreement.

—Buildings 1008 and 1009: Three years from the entry into force of the Agreement.

—Buildings 490 and 1010: Two years from the entry into force of the Agreement.

—Buildings 1019, 1007 and 1022: One year from the entry into force of the Agreement.

13. With reference to paragraph (3)(b)(v) of annex A, it is understood that the Balboa West Bombing Range will cease to be subject to the provisions of annex B to this Agreement at such time as the Republic of Panama provides an alternative facility, acceptable to the United States, for the use of the United States Forces as a bombing range.

14. With reference to paragraph (5)(b) of annex B, it is understood that the selected housing units to be made available by the United States to the Republic of Panama shall include:

(1) Upon entry into force of the Agreement:

(a) Two family housing units at Quarry Heights for officers of the Forces of the Republic of Panama serving on the Combined Board;

(b) Eight family housing units in Fort Amador for members of the Forces of the Republic of Panama assigned to Fort Amador. It is further understood that the members of the Forces of the Republic of Panama residing at Fort Amador may use the community facilities at Fort Amador under the same conditions as are applicable to the United States Forces;

(c) Twenty family housing units at Curundu Heights.

(2) Within three years after the entry into force of the Agreement, all family housing units at Curundu Heights. It is understood that the laundry and the Bachelor Officers' housing units at Curundu Heights are not family housing units and will remain under the control of United States Forces for the duration of the Agreement.