

No. 21087

**UNITED STATES OF AMERICA
and
PANAMA**

**Agreement in implementation of article III of the Panama
Canal Treaty (with annexes, agreed minutes and map).
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 III du
Traité du canal de Panama (avec annexes, procès-
verbal approuvé et carte). 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 III OF THE PANAMA CANAL TREATY²

Whereas, pursuant to article III of the Panama Canal Treaty, signed this date,² the Republic of Panama, as territorial sovereign, grants to the United States of America the rights necessary to manage, operate, and maintain the Panama Canal,

The United States of America and the Republic of Panama have agreed upon the following:

Article I. DEFINITIONS

For the purposes of this Agreement it shall be understood that:

1. "Panama Canal Commission" (hereinafter referred to as "the Commission") means the agency or agencies of the Government of the United States responsible for carrying out the responsibilities and rights of the United States under the Panama Canal Treaty with respect to the management, operation, and maintenance of the Panama Canal.

2. "United States citizen employees" means (a) nationals of the United States, to whom United States passports have been issued, who are employed by the Commission and assigned for duty in the Republic of Panama (including employees of other civilian agencies of the United States who are on temporary duty with the Commission or are otherwise visiting the area on official business of the United States), and (b) other categories of persons which may be agreed upon by the two Parties.

3. "Dependents" means the spouse and children of United States citizen employees, and other relatives who depend on them for their subsistence and who habitually live with them under the same roof.

Article II. COORDINATING COMMITTEE

1. A Coordinating Committee shall be established upon the entry into force of this Agreement to be composed of one representative of the United States and one representative of the Republic of Panama, of equal authority within the Committee, each of whom may have one or more deputies, on a parity basis.

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

3. The Coordinating Committee shall establish its rules of procedure within the spirit of this Agreement and may designate such subcommittees as it may deem necessary for the fulfillment of its functions.

4. The Coordinating Committee shall be organized so 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 Coordinating Committee shall send periodic

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

² See p. 3 of this volume.

reports on its activities to the Governments of the United States and the Republic of Panama.

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

Article III. USE OF LAND AND WATER AREAS

1. *Canal Operating Areas:* With respect to the areas and installations described in paragraph 1 of annex A of this Agreement (hereinafter referred to as the “Canal operating areas”), the following provisions will be applicable:

- (a) The United States shall have the right to use such areas and installations for the purposes of exercising its rights and fulfilling its responsibilities, under the Panama Canal Treaty and related agreements, concerning the management, operation and maintenance of the Panama Canal, and for such other purposes as the two Parties may agree upon.
- (b) The United States shall have the right to use any portion of the Canal operating areas for military training, when such use is determined by the United States to be compatible with continued efficient operation of the Panama Canal.

2. *Housing Areas:* The areas and installations set forth in paragraph 2 of annex A of this Agreement (hereinafter referred to as “housing areas”) shall be dedicated to the primary purpose of housing United States citizen employees and dependents. The housing areas shall be administered in accordance with the regime of civil coordination established in article VI of this Agreement.

3. *Accessory Facilities and Installations:* The United States may continue to use those accessory facilities or installations used in connection with the management, operation and maintenance of the Canal on the date this Agreement enters into force, but which are located outside the areas and installations otherwise made available for the use of the United States pursuant to the Panama Canal Treaty. A description of such facilities is set forth in paragraph 3 of annex A to this Agreement. The United States, at its expense, may maintain, improve, replace, expand or remove these facilities and installations. The United States shall have unimpeded access to these and all other facilities and installations used in connection with the management, operation, or maintenance of the Canal.

4. *Anchorage:* The United States shall have free and unimpeded access to and use of the anchorages described in paragraph 4 of annex A, for the purposes of exercising its rights and fulfilling its responsibilities concerning the movement and anchoring of vessels under the Panama Canal Treaty and related agreements. The United States may own, use, operate, inspect, maintain or replace equipment, facilities and navigational aids in these areas. The United States shall have the right to increase the size of the anchorages as may be necessary or convenient, within the areas described in paragraph 5 of annex A.

5. *Special Areas:* Those additional land and water areas set forth in paragraph 6 of annex A are subject to the procedures set forth in article IV of this Agreement in order that activities incompatible with the efficient management, operation, or maintenance of the Canal shall be precluded.

6. Annex A of this Agreement shall be examined every five years or by agreement between the two Parties, and shall be revised by exchange of notes or

other instrument to reflect any agreed elimination or change in areas. The United States may notify the Republic of Panama at any time that the use of an area, or of a specified portion thereof, or other right granted by the Republic of Panama, is no longer required. Under such circumstances, such use or other right shall cease on the date determined by the two Parties.

7. (a) The United States may, at any time, remove from the Republic of Panama, or, in accordance with such conditions as may be agreed upon by the two Parties, dispose of in the Republic of Panama, any equipment, material, supplies or other removable property brought into, acquired or constructed in the Republic of Panama by or for the Commission. In case of disposal within the Republic of Panama, preference will be given to the Government of the Republic of Panama.

(b) All equipment, installations, material, supplies or removable property left by the United States in an area made available under this Agreement beyond 90 days from the date the use of such area by the United States ceases shall, unless agreed otherwise by the two Parties, become the property of the Republic of Panama.

8. The Commission may employ watchmen to protect the security of selected installations within the areas made available for the use of the United States under this Agreement, it being understood that such installations do not include housing or other installations not devoted to the management, operation or maintenance of the Panama Canal. Such watchmen shall not have powers of arrest or other general police powers. They may, however, temporarily detain persons believed to be committing or to have just committed an offense against applicable laws or regulations, and shall promptly transfer custody to the appropriate police authorities. The Commission shall provide to the authorities of the Republic of Panama through the Coordinating Committee a list identifying the individuals employed by it as watchmen, and shall promptly notify the Republic of Panama of any changes in such list. In the performance of their duties, such watchmen shall not bear firearms except handguns.

9. The Coordinating Committee shall constitute the means of communication and information between the two Parties with regard to matters pertaining to the implementation of this article.

Article IV. LICENSING OF OTHER LAND USES

1. Without prejudice to the rights of the United States concerning use of areas and installations within the Republic of Panama under the Panama Canal Treaty and related agreements, the areas and installations set forth in annex A may be used for other purposes compatible with the continuous efficient management, operation and maintenance of the Panama Canal, under land use licenses to be issued by the Republic of Panama in accordance with the following procedure:

- (a) The Republic of Panama shall refer to the Coordinating Committee any requests it may receive from private concerns, or from agencies of the Republic of Panama, to undertake specific activities within the areas subject to this procedure.
- (b) If the United States and the Republic of Panama, acting through the Coordinating Committee, determine that the proposed use, including its terms

and conditions, is compatible with the continuous efficient management, operation and maintenance of the Panama Canal, the Republic of Panama shall issue a revocable land license for the specific use agreed upon. The United States must approve the license, in writing, before it becomes effective.

2. The Republic of Panama may terminate the land license for reasons arising under its laws.

3. At any time that the United States decides that a licensed land use is no longer compatible with the continuous efficient management, operation, or maintenance of the Panama Canal, or that the licensed area is necessary for a Panama Canal Treaty-related purpose, it may withdraw its concurrence in the land license, at which time the Republic of Panama shall cause the license to be terminated.

4. In the event that the United States withdraws its concurrence in a land license issued under the procedure established in this article, the Republic of Panama shall take all measures necessary to ensure that the area is promptly vacated, in accordance with such rules as may be established by the two Parties through the Coordinating Committee.

5. The provisions of this article shall not limit in any manner the authority of the United States to use the areas made available for its use under this Agreement, or to permit their use by its contractors, in the exercise of its rights and the fulfillment of its responsibilities under the Panama Canal Treaty and related Agreements.

Article V. BALBOA AND CRISTOBAL PORTS AND THE PANAMA RAILROAD

1. As provided in article XIII of the Panama Canal Treaty, all right, title and interest of the United States in property, installations and equipment in the Ports of Balboa and Cristobal, the boundaries of which are set forth in paragraph 1 of annex B of this Agreement, is transferred without charge to the Republic of Panama.

2. The Republic of Panama shall have the responsibility for the management, operation and maintenance of the Ports of Balboa and Cristobal, subject, however, to the following terms and conditions:

- (a) The Republic of Panama shall exercise all jurisdictional rights over vessels within the lands and waters areas of the Ports of Balboa and Cristobal. Movement of vessels to or from the piers and docks of the Ports of Balboa and Cristobal shall be subject to appropriate approval by the port authorities of the Republic of Panama.
- (b) The Republic of Panama grants to the United States the following technical powers: the authority and responsibility for marine traffic control within the waters of the Canal operating areas and defense sites and within the Ports of Balboa and Cristobal and to or from and within the anchorages and emergency beaching areas. Such authority and responsibility of the United States includes the right to require that vessels moving in such waters be under the direction of Commission pilots.
- (c) The United States may use, for the management, operation, maintenance, protection and defense of the Canal, those port installations and equipment

managed, operated, and maintained by the Republic of Panama which are described in paragraph 2 of annex B of this Agreement. The Republic of Panama shall maintain such port installations and equipment in efficient operating condition.

- (d) The United States is guaranteed use of the Port installations described in paragraph 3 of annex B of this Agreement for normal maintenance of its equipment, in accordance with schedules established by the Commission or, when necessary for emergency repairs, at any time. The United States may use its employees to perform services in such installations. United States use of such installations and equipment shall be free of cost other than reimbursement for labor and services provided to the United States at rates which shall not exceed those charged the most favored customer on a commercial basis.
- (e) In order to facilitate the optimum scheduling of vessel transits, the Republic of Panama shall ensure that vessels transiting the Canal receive port services at Balboa and Cristobal on a priority basis.
- (f) The Republic of Panama shall control and supervise the activities to be carried out under its responsibility in the Ports of Balboa and Cristobal to ensure that such activities are compatible with the efficient management, operation, maintenance, protection and defense of the Canal. The Republic of Panama shall take the measures necessary to prevent, or to terminate, any activity that is incompatible with such purposes.
- (g) In the event of emergencies relating to the protection and defense of the Canal, the Republic of Panama shall, at the request of the United States, make the installations and equipment of the Naval Industrial Reserve Shipyard available, without delay, to the United States for as long as may be necessary. In any such case, the United States shall reimburse the Republic of Panama for labor or services provided to it at rates which shall not exceed those charged the most favored customer on a commercial basis.

3. As provided in article XIII of the Panama Canal Treaty, all right, title and interest of the United States in the property, installations and equipment of the Panama Railroad is transferred without charge to the Republic of Panama.

4. The Republic of Panama shall have the responsibility for the management, operation, and maintenance of the Panama Railroad (hereinafter referred to as "the Railroad"), subject, however, to the following terms and conditions:

- (a) The Republic of Panama shall maintain the Railroad in efficient operating condition. The Railroad will continue to provide the levels and frequency of service necessary for efficient management, operation, and maintenance, and effective protection and defense of the Canal.
- (b) The United States shall have the right to use and maintain the existing installations, including the 44 KV electrical transmission lines and towers, and to construct, use and maintain additional installations along the Railroad right of way, and may have access thereto for such purposes.
- (c) The Republic of Panama shall permit the United States to use the Railroad and its equipment, on a priority basis, for the purposes of maintaining such transmission lines and other installations, and of transporting equipment, supplies and personnel related to the management, operation, maintenance,

or protection and defense of the Canal. The United States shall pay the costs resulting from such use in accordance with rates which shall not exceed those charged by the Railroad to its most favored customer on a commercial basis.

- (d) Spur tracks, sidings and related equipment serving the installations in areas made available to the United States pursuant to the Panama Canal Treaty shall remain the responsibility of the United States. Railroad access to such trackage shall be subject to the approval of the responsible United States authorities.
- (e) If the Republic of Panama decides, at any time, that its continued operation of the Railroad at the minimum levels of service agreed upon by the two Parties is no longer viable, the United States shall have the right to reassume management and operation of the Railroad.

5. A Ports and Railroad Committee, to be established as a subcommittee of the Coordinating Committee in accordance with paragraph 3 of article II of this Agreement and composed of an equal number of representatives of each Party, shall be responsible *inter alia* for coordination of the activities of the Panama Canal Commission and the National Port Authority of the Republic of Panama concerning the operation of the Ports of Balboa and Cristobal and the Panama Railroad, and shall have the following functions:

- (a) To consider and, upon agreement, to coordinate the termination of United States rights with respect to the use of areas or installations in, or in the vicinity of, the Ports of Balboa and Cristobal which the Republic of Panama might desire to use for port activities, or with respect to the use of areas and installations appertaining to the Railroad.
- (b) To consider and, upon agreement, to coordinate any change in the use of lands or waters in the Ports of Balboa and Cristobal or in areas or installations appertaining to the Railroad, or any initiation of, change in, or termination of Port or Railroad services. Consequently, changes in the use of such lands and waters and the initiation of, changes in, or termination of such services shall occur only in accordance with the decisions reached by the Ports and Railroad Committee. Until such time as the Committee agrees upon new levels and frequency of Railroad services, the levels and frequency of service scheduled for 1977 shall be maintained.
- (c) To maintain adequate standards of safety, fire prevention and oil pollution. Until such time as the Committee issues new regulations, the safety, fire prevention and oil pollution standards in force prior to the entry into force of this Agreement shall remain in force.
- (d) To establish procedures and mechanisms to facilitate the movement of vessels in accordance with the rights and responsibilities of the Parties set forth in paragraph 2 above.
- (e) To coordinate the use by the United States of those installations specified in paragraph 3 of annex B that are located within the Ports of Balboa and Cristobal and the activities of the National Port Authority of the Republic of Panama in these Ports.

In considering these matters, the representatives of the two Parties on the Ports and Railroad Committee shall be guided by the principle that the operation

of the Ports and Railroad shall be consistent with the continued efficient management, operation, maintenance, protection and defense of the Canal.

Article VI. REGIME OF CIVIL COORDINATION FOR HOUSING AREAS

1. As provided in article XIII of the Panama Canal Treaty, title to all housing within the housing areas, owned by the Panama Canal Company immediately prior to the entry into force of this Agreement, is transferred to the Republic of Panama. The housing areas shall, however, continue to be dedicated, for the duration of this Agreement, to the primary purpose of housing employees of the Commission in accordance with the provisions of this article.

2. The Republic of Panama hereby places at the disposal of the United States, without cost, the use of such housing, within the housing areas, as the United States may deem necessary for United States citizen employees and dependents throughout the duration of this Agreement. The United States may continue to manage, maintain, improve, rent and assign such housing for United States citizen employees and dependents.

3. The use of housing units beyond those required by the United States for housing United States citizen employees and dependents at the date of entry into force of this Agreement shall pass to the Republic of Panama on that date. Within five years from the entry into force of this Agreement, the use of at least twenty percent of the housing units located in the former Canal Zone, formerly owned by the Panama Canal Company, shall have passed to the Republic of Panama. Thereafter, the use of additional units shall pass to the Republic of Panama in accordance with the following schedule:

- (a) Within ten years from the entry into force of this Agreement, the use of a total of at least thirty percent of such units shall have passed.
- (b) Within fifteen years, the use of a total of at least forty-five percent shall have passed.
- (c) Within twenty years, the use of a total of at least sixty percent shall have passed.

4. In order to protect the interests and welfare of employees of the United States who are not United States citizen employees and who, on the date of entry into force of this Agreement, are occupying housing units, the use of which is transferred to the Republic of Panama, the Republic of Panama shall give such persons the following special treatment:

- (a) The opportunity to occupy, by lease or rental, or in the event the Republic of Panama decides to sell, to acquire by purchase at reasonable prices, the units which they are occupying on the date of entry into force of this Agreement.
- (b) In cases of purchase, the opportunity to obtain long-term financing arrangements.
- (c) In cases where continued occupancy of a particular housing unit is not feasible, the opportunity to obtain other adequate housing within such areas at reasonable cost, on a preferential or priority basis.

5. In addition to housing its United States citizen employees and dependents, the United States may use the housing areas for other purposes related to the management, operation and maintenance of the Canal. The housing areas may also be used for other activities complementary to or compatible with the

primary purpose of housing employees of the Commission under revocable land licenses to be issued in accordance with the procedures set forth in article IV of this Agreement.

6. In coordination with the appropriate authorities of the Republic of Panama, the Commission may continue to provide public services such as maintenance of streets, sidewalks and other public areas within the housing areas. Since the utilities systems in the housing areas are fully integrated with those of the Canal, the Commission shall, on behalf of the utilities agencies of the Republic of Panama, continue to provide utilities such as power, water, and sewers to industrial and commercial enterprises and other persons in the area, other than United States citizen employees and dependents. The utilities agencies of the Republic of Panama shall be responsible for setting rates for and billing such customers, and shall reimburse the Commission for its cost in providing such services.

7. The Coordinating Committee shall serve as the channel for consultation and coordination between the two Parties with respect to matters arising under the regime of civil coordination established in this article.

Article VII. WATER RIGHTS

1. The United States shall have unimpaired use, free of cost, of the waters of the Canal and of Alajuela (Madden), Gatun and Miraflores Lakes, and of the waters of their tributary streams, for the purposes of the management, operation and maintenance of the Panama Canal, including the generation of electric power, spilling to provide flood or pollution control, and the supplying of potable water, taking into account the needs of the Republic of Panama for potable water.

2. The United States may:

- (a) Raise the surface of Alajuela (Madden) Lake to 260 feet above precise level datum (PLD) and of Gatun Lake to 100 feet above PLD, and lower the surfaces of these lakes down to elevations of 190 feet and 76 feet, respectively, for the purposes stated in paragraph 1 of this article. The Parties shall consult and coordinate concerning the measures necessary to assure the supply of potable water to the Republic of Panama.
- (b) Erect, operate, maintain, improve, expand, remove and replace rainfall and river gauging stations in the watersheds of the lakes and their tributaries, the data and information obtained from which shall be made available promptly to the Republic of Panama.
- (c) Maintain and improve the saddle dams serving Gatun, Miraflores and Alajuela (Madden) Lakes and any new impoundment areas. The Republic of Panama agrees to take the necessary measures to prevent any activity that might endanger the stability of the saddle dams.
- (d) Apply herbicides and conduct other water weed control and sanitation programs in the lakes, their watershed and tributaries. In the conduct of these programs the United States shall take into account the environmental protection and water standards of the Republic of Panama to the extent feasible and consistent with the efficient management, operation and maintenance of the Canal.
- (e) Conduct flood control operations, to include periodic flushing of the rivers, and a routine maintenance program up to the 100 foot contour line along the

Chagres River between Gamboa and Madden Dam, and up to the 30 foot contour line along the Chagres River between Gatun Dam and the Caribbean Sea.

- (f) Use such land and water areas as may be necessary for the purpose of constructing new dams, including the proposed Trinidad, Manguito Point, and Panama Railroad Causeway dams, and impounding such water as may be required to develop and regulate the water supply of the Canal for the purposes stated in paragraph 1 of this article. If new dams are constructed in accordance with this Agreement, any generations of electric power in connection with such dams shall be the prerogative of the Republic of Panama in the manner agreed upon between the two Parties.

3. The Republic of Panama shall take the necessary measures to ensure that any other land or water use of the Canal's watershed will not deplete the water supply necessary for the continuous efficient management, operation or maintenance of the Canal, and shall not interfere with the water use rights of the United States in the Canal's watershed.

Article VIII. SOCIAL SECURITY

1. Concerning Social Security and retirement benefits applicable to employees of the Commission who are not United States citizen employees, the following provisions shall apply:

- (a) Such persons who are employed by the Commission subsequent to the entry into force of this Agreement shall, as of their date of employment, be covered by the Social Security System of the Republic of Panama.
- (b) Such persons who were employed prior to the entry into force of this Agreement by the Panama Canal Company or Canal Zone Government and who were covered under the Civil Service Retirement System of the United States shall continue to be covered by that system until their retirement or until the termination of their employment with the Commission for any other reason.
- (c) The Commission shall collect and transfer in a timely manner to the Social Security System of the Republic of Panama the employer's and employees' contributions for those of its employees who are covered by the Social Security System of the Republic of Panama.

2. Concerning health benefits applicable to employees of the Commission who are not United States citizen employees and who are covered by the Civil Service Retirement System of the United States the following provisions shall apply:

- (a) For the duration of a transitional period of thirty calendar months following the entry into force of this Agreement, all such persons shall continue to be provided health insurance and medical benefits under the same general arrangements in effect prior to the entry into force of this Agreement.
- (b) At the termination of the aforementioned transitional period, none of the above-mentioned persons shall be eligible to receive health or medical benefits from facilities operated by the United States in the Republic of Panama.
- (c) Such persons shall have the right, during the aforementioned transitional period, to elect either to continue their coverage under the Federal Employees'

Health Benefits Plan or to terminate their coverage under that program and enroll in the Health and Maternity Benefits Program under the Social Security System of the Republic of Panama, effective upon the termination of the transitional period.

- (d) The Commission shall collect and transfer in a timely manner to the Social Security System of the Republic of Panama the employer's and employees' contributions to the Health and Maternity Benefits Program of that institution for such persons who enroll in that program. The employer's contribution shall be equal to that which the employer would have paid had the employee continued under the Federal Employees Health Benefits Plan.

3. (a) Following the entry into force of this Agreement, employees of the Panama Canal Company or Canal Zone Government, regardless of their nationality, who become employees of the Republic of Panama as the result either of a transfer of a function or activity to the Republic of Panama from the Panama Canal Company or Canal Zone Government or through job placement efforts of the Commission or the Republic of Panama, shall be covered by the Social Security System of the Republic of Panama through a special regime identical in eligibility requirements, benefits, and employer/employee contributions to the United States Civil Service Retirement System in which the employee was previously enrolled.

(b) In those instances in which an employee has been separated from employment with the Commission and is due a refund of his contributions to the Civil Service Retirement System of the United States, said refund shall, upon the written request of the employee, be transferred by the Civil Service authorities of the United States to the Social Security System of the Republic of Panama for the purpose of the employee's purchase of an equity, which shall be financially equal to the total of the amounts transferred.

(c) When such employee of the Panama Canal Company or Canal Zone Government, regardless of his nationality, is separated from his employment with the Commission as the result of the implementation of the Panama Canal Treaty and becomes an employee of the Republic of Panama as the result either of a transfer of a function or activity to the Republic of Panama from the Panama Canal Company or the Canal Zone Government or through a job placement assistance program, and elects to purchase an equity in the Social Security System of the Republic of Panama, through a special regime identical in requirements for eligibility, benefits, and employer/employee contributions to the Civil Service Retirement System of the United States in which the employee was previously enrolled, the United States shall provide an equal sum to assist the employee in acquiring such an equity, provided, however, that:

- (i) The employee is not eligible for an immediate retirement annuity under the United States Civil Service Retirement System.
- (ii) The employee has not elected a deferred annuity under the United States Civil Service Retirement System.
- (iii) The employee has been credited with at least five years of Federal service under the United States Civil Service Retirement System.
- (iv) The employee elects to withdraw the entire amount of his capitalized contributions to the Civil Service Retirement System of the United States and transfer them to the Social Security System of the Republic of Panama.

(v) The contribution provided by the United States shall be the same as the amount withdrawn by the employee from the United States Civil Service Retirement Fund and contributed by the employee to the Panamanian Social Security System.

(d) Employees eligible for an immediate annuity under the Civil Service Retirement System of the United States shall begin to receive retirement pay at the time of their termination of their employment by the Government of the United States.

4. Except as otherwise provided in the Panama Canal Treaty or this Agreement, there shall be no loss or limitation of rights, options and benefits to which employees of the Commission who were employed by the Panama Canal Company or the Canal Zone Government may be entitled under applicable laws and regulations of the United States as a result of their participation in the Civil Service Retirement System of the United States. These rights, options and benefits include the rights, where appropriate under applicable laws and regulations of the United States, to optional or voluntary retirement, discontinued service retirement following involuntary separation, disability retirement, and deferred retirement.

5. Non-United States citizen employees of the Panama Canal Commission who were, prior to the entry into force of this Agreement, employed by the Panama Canal Company or the Canal Zone Government, and who continue to be covered by the United States Civil Service Retirement System, shall continue to be covered by United States Workmen's Compensation and may, if they so desire, continue their coverage under the Federal Employees' Group Life Insurance program in the same manner as prior to the entry into force of this Agreement.

Article IX. ACQUISITION OF PANAMANIAN SUPPLIES AND SERVICES

1. In procuring supplies and services, the Commission shall give preference to those 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 shall 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 Coordinating Committee.

Article X. TELECOMMUNICATIONS

1. The Republic of Panama, in the exercise of its sovereign power over telecommunications, authorizes the United States, for the duration of this Agreement, to use communications networks and communications-electronics installations within the Canal operating areas, and the radio frequencies authorized or in use, and transportable equipment in use, immediately prior to the entry into force of this Agreement and as may be necessary for its requirements, in order to accomplish the purposes of the management, operation and maintenance of

the Canal, and as the two Parties may otherwise agree. The Coordinating Committee may adopt regulations to govern the use of such transportable equipment outside of such areas.

2. The Republic of Panama also authorizes the United States to use installations such as those described in the preceding paragraph already existing outside the Canal operating areas, including those operated and maintained by the United States Forces or by contractors, which serve to accomplish the purposes of the management, operation or maintenance of the Canal, and as the two Parties may otherwise agree. The United States authorities shall have access to such installations for appropriate operation, maintenance and replacement.

3. Upon the termination of this Agreement, all telecommunication equipment and facilities necessary for purposes of operation of the Canal, which are the property of the United States, shall be transferred to the Republic of Panama. The United States, after consultation with the Republic of Panama, will institute a program to train Panamanian nationals to operate and maintain such telecommunications equipment, including ship-to-shore facilities.

4. Provided that they are available and suitable for the purpose, the Commission shall use, to the maximum extent practicable, the telecommunications services of public or private enterprise in the Republic of Panama in order to meet its growth needs, but the applicable rates shall be no less favorable than those charged to governmental agencies of the Republic of Panama.

5. The United States shall provide the Republic of Panama a list of all frequencies authorized or in use by it pursuant to this article. This list shall be submitted through the Coordinating Committee in ascending frequency order and shall contain as a minimum information concerning the power, bandwidth, and type of emission being used in those frequencies.

6. The Republic of Panama undertakes not to authorize the use of any frequency which would interfere with those in use by or for the Commission or which it may use in the future in accordance with the Panama Canal Treaty and this Agreement.

7. All provisions regarding telecommunications in this article shall be in accordance with the obligations of both Parties as members of the International Telecommunication Union and with the various relevant international agreements to which both are parties.

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 Coordinating Committee may adopt any further regulations as may be necessary to implement the provisions of this article, including necessary technical coordination.

Article XI. CONTRACTORS AND CONTRACTORS' PERSONNEL

1. Whenever the Commission enters into contracts for the performance of services or the procurement of supplies, it shall adhere to the preferences for Panamanian sources set forth in article IX of this Agreement.

2. Whenever contracts are awarded by the Commission to natural persons who are nationals or permanent residents of the United States or to cor-

porations 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 and such designations shall be communicated to the authorities of the Republic of Panama through the Coordinating Committee. Designated 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 Commission 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 United States citizen employees in article XII of this Agreement.
- (d) The contractor must obtain a document indicating his identity as a contractor which the proper authorities of the United States 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 United States. Nevertheless, the authorities of the Republic of Panama 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 Commission, so long as he is taxed in the United States at a rate substantially equivalent to the corresponding taxes and assessments of the Republic of Panama.
- (f) The contractor may move freely within the Republic of Panama, and shall have exemptions from customs duties and other charges, as provided for United States citizen employees in articles XIV and XVI of this Agreement.
- (g) The contractor may use public services and installations in accordance with the terms and conditions of article XIII of this Agreement and, on a non-discriminatory basis, shall pay the Republic of Panama 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.
- (i) The contractor may use the services and facilities provided for in articles X and XVIII of the Agreement in implementation of article IV of the Panama Canal Treaty, signed this date,¹ to the extent such use is authorized by the United States; provided, however, that after five years from the entry into force of this Agreement, the use of military postal services by such contractors shall be limited to that related to the execution of contracts with the United States.

¹ See p. 201 of this volume.

3. The Commission shall withdraw the designation of a contractor when any of the following circumstances occur:

- (a) Completion or termination of the contracts with the Commission.
- (b) Proof that during the life of the contract such contractors have engaged in the Republic of Panama in business activities not related to their contracts with the United States nor authorized by the Republic of Panama.
- (c) Proof that such contractors are engaged in practices which in the view of the Republic of Panama constitute serious violations of the 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 the territory of the Republic of Panama in the capacity of a contractor, the authorities of the Republic of Panama require such contractor to leave its territory, the United States 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 national or residents of the United States. These employees and dependents shall not be subject to the Panamanian Social Security system.

Article XII. ENTRY AND DEPARTURE

1. The United States may bring into the territory of the Republic of Panama United States citizen employees and dependents for the specific purposes of the Panama Canal Treaty and as the two Parties may agree upon.

2. In order to enter or leave the territory of the Republic of Panama, such persons shall be required to bear only a valid passport and a special entry/exit permit issued by the Republic of Panama. Such documentation, upon entry into or departure from the territory of the Republic of Panama, shall be presented to the appropriate authorities of the Republic of Panama.

3. Such entry/exit permits shall authorize the bearer an unlimited number of entries into and exits from the territory of the Republic of Panama for the duration of the employment or other duties with the Commission of the bearer, or of his sponsor. Such permits shall remain valid until such time as United States authorities notify the appropriate authorities of the Republic of Panama of the termination of the employment or duties with the Commission of the bearer, or of his sponsor.

4. The Republic of Panama agrees to issue such special entry/exit permits to the persons described in paragraph 1 of this article, upon written request by the authorities of the United States, and to implement special procedures to ensure such expeditious issuance.

5. Whenever the status of any person described in paragraph 1 of this article is altered so that he is no longer entitled to remain in the territory of the Republic of Panama, the authorities of the United States shall promptly notify the authorities of the Republic of Panama, and shall ensure that the special entry/exit permit in question is returned to the Republic of Panama. If requested by the Republic of Panama within a period of sixty days following such notice, the

authorities of the United States shall ensure that transportation of any such person from the Republic of Panama will be provided at no cost to the Republic of Panama.

6. The persons described in paragraph 1 of this article shall be exempted from fiscal charges relating to their entry, stay in, or departure from the territory of the Republic of Panama, except for non-discriminatory charges established or which may be established for use of airports. Similarly, they shall 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.

7. United States citizen employees who enter the Republic of Panama to execute professional services exclusively for the United States, or on its behalf, shall not be subject to the licensing regimes of the Republic of Panama, but their professional activity shall be limited to such services with the United States for the specific purposes of the Panama Canal Treaty, or as the two Parties may otherwise agree.

Article XIII. SERVICES AND INSTALLATIONS

1. The Commission, its United States citizen employees and dependents may use the public services and installations belonging to or regulated by the Republic of Panama, and the terms and conditions of use, prices, rates and tariffs and priorities shall not be unfavorable in relation to those charged other users.

2. The Commission may use the facilities and services of the United States Forces for official purposes and may establish and operate the supporting services and facilities it requires within the areas used under this Agreement, and exceptionally, with the authorization of the Republic of Panama, outside such areas.

3. The United States may furnish to United States citizen employees and dependents the services provided for in article XVIII of the Agreement in Implementation of article IV of the Panama Canal Treaty signed this date, and authorize their use of the facilities provided for in article X and article XI of that Agreement provided, however, that their use of military postal services, commissaries, and military exchanges may not be authorized after five years from the entry into force of this Agreement.

4. The facilities and services of the Commission may be made available, exclusively for official purposes, to other agencies of the Government of the United States operating in the Republic of Panama, including the United States Forces.

Article XIV. 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 Commission 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 except for reimbursement for specific services requested and received and without any other impediment.

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

2. (a) (i) Similarly, the vehicles and equipment of the Commission 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. Such vehicles and equipment shall be exempt from mechanical or other inspection.

(ii) Claims arising from damage caused by the Commission to the Panamanian road network outside the Canal operating areas, in excess of the usual wear and tear by reason of time and its appropriate use, shall be settled as provided for in article XVIII of this Agreement.

(b) Such vehicles and equipment of the Commission shall not be assessed any license or registration fees. These vehicles shall bear means of identification as may be agreed upon by the Coordinating Committee, to be issued under the authority of said Coordinating Committee and distributed by the Commission.

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 Commission 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, possessed by operators of vehicles, vessels and aircraft which are property of the United States.

4. (a) The vehicles, trailers, vessels and aircraft belonging to the United States citizen employees 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 the appropriate documents of title and registration of vehicles, trailers, vessels and aircraft which are the property of United States citizen employees 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 authorities of the Republic of Panama a copy authenticated by the Commission, duly translated into Spanish. While the corresponding request is being processed and within a term which may not exceed ninety days after entry into force of this Agreement or after arrival of the means of transportation mentioned above in the Republic of Panama, it may be operated with the plates or distinctive marks issued by the federal or state authorities of the United States or by the authorities of the former Canal Zone.

(c) United States citizen employees and dependents who bear valid documents such as drivers' licenses, vessel operators' permits, amateur radio licenses, 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 authorities of the Republic of Panama a copy authenticated by the Commission and duly translated into Spanish. United States citizen employees and dependents shall be permitted to drive vehicles, vessels or aircraft in the Republic of Panama with such licenses, permits and classifications during the ninety days following the entry into force of this Agreement or their first arrival in the Republic of Panama. During this period the processing of the application in the Republic of Panama for a driver's license, vessel operator's permit, or license and classification as an air pilot shall be completed.

(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 the Republic of Panama, shall, to preserve their validity, be renewed in accordance with Panamanian laws. Whenever Panamanian laws 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, provided that said certifications are submitted in Spanish translation.

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

5. The Coordinating Committee may agree on rules and procedures that may be necessary to implement this article.

Article XV. TAXATION

1. By virtue of this Agreement, the Commission, its contractors and sub-contractors are exempt from payment in the Republic of Panama of all taxes, fees or other charges on their activities or property.

2. United States citizen employees and dependents shall be exempt from any taxes, fees, or other charges on income received as a result of their work for the Commission. Similarly, they shall be exempt from payment of taxes, fees or other charges on income derived from sources outside the Republic of Panama.

3. United States citizen employees 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 Commission.

4. The Coordinating Committee may establish such regulations as may be appropriate for the implementation of this article.

Article XVI. IMPORT DUTIES

1. Except for the exemptions provided for in this Agreement, United States citizen employees and dependents shall be subject to the customs laws and regulations of the Republic of Panama.

2. All property imported for the official use or benefit of the Commission, including that imported by its 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 Commission shall issue a certificate, following the form adopted by the Coordinating Committee, stating that the property being imported is for these purposes.

3. Property consigned to or imported for the personal use of United States citizen employees 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.
- (b) Vehicles imported by such persons for their private use. The Coordinating Committee shall establish the limitations on the quantity and frequency of additional imports of vehicles and shall authorize such importation of at least one vehicle every two years.
- (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 mails.
- (d) Such other imports as may be expressly authorized by the competent authorities of the Republic of Panama at the request of the Commission.

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

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

- (a) United States citizen employees travelling on official business 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 Commission.

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.

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 custom duties, export permits, export taxes, and other assessments. All property acquired in the Republic of Panama by, or in the name of, the Commission, or acquired by United States citizen employees or dependents for their

private use, may be exported free of customs duties, export licenses, and other export taxes or charges.

8. The authorities of the United States agree to cooperate with the authorities of the Republic of Panama and shall take all steps within their legal authority necessary to prevent the abuse of the privileges granted under this article to United States citizen employees or dependents, which measures may include dismissal of such employees.

9. In order to prevent violations of the customs laws and regulations of the Republic of Panama, the two Parties agree as follows:

- (a) The competent authorities of the United States and the authorities of the Republic of Panama 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 United States citizen employees, and dependents, of such import duties, taxes, and fines as may be duly determined by the authorities of the Republic of Panama.

10. Vehicles and articles belonging to the Commission 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 Commission.

11. The Coordinating Committee will constitute the means of communication and information between the two Parties with regard to matters pertaining to the implementation of this article.

Article XVII. SURVEYS

The United States may carry out topographic, hydrographic, agrologic and other surveys (including the taking of aerial photographs) within the areas made available for the use of the United States pursuant to this Agreement and within the watershed basin of Gatun, Alajuela (Madden) and Miraflores Lakes. Surveys in other areas of the Republic of Panama shall require authorization from the Republic of Panama and shall be carried out in the manner agreed upon in the Coordinating Committee. The Republic of Panama shall, at its option, designate a representative to be present during such surveys. The United States shall furnish a copy of the data resulting from such surveys to the Republic of Panama at no cost.

Article XVIII. CLAIMS

1. (a) Each Party shall settle claims against it for damage to any property owned and used by the other Party in the following circumstances:
 - (i) If the damage was caused by an employee of the Government, against which the claim is made, in the performance of his official duties; or
 - (ii) If the damage arose from the use of any vehicle, vessel or aircraft owned and used by the said Government, 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.

(b) If it is not settled in due course, the claim may be pursued through diplomatic channels. Both Parties hereby waive the collection of any claims for an amount less than \$1,400 U.S. or B1,400, whichever may be the currency of greater value.

2. In cases of maritime salvage, each Party waives its claims against the other if the vessel or cargo salvaged was the property of the other Party and was used for official purposes.

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

4. United States citizen employees 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 in which payment has been accepted in full satisfaction of the claim, the civil courts of the Republic of Panama shall dismiss any proceeding concerning such matter.

5. Non-contractual claims arising from damages caused in the performance of their official duties by employees of the Commission to third parties shall be presented by the injured party through the Coordinating Committee to the appropriate authorities of the Commission for settlement. The authorities of the Republic of Panama may submit advice and recommendations on Panamanian law to the claims authorities of the Commission for their use in evaluating liability and amount of damages. The Commission shall assure payment of the appropriate damages, if any are due.

6. Contractual claims against the Commission 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 Commission.

7. The Commission shall require contractors and sub-contractors referred to in article XI of this Agreement to obtain appropriate insurance to cover the civil liabilities that may be incurred in the territory of the Republic of Panama as a result of acts or omissions done in the performance of official duty by their employees. The Coordinating Committee shall establish the general standards for such insurance.

8. The authorities of both Parties shall cooperate in the investigation and procurement of evidence for a fair disposition of claims under this article.

Article XIX. CRIMINAL JURISDICTION

1. The Republic of Panama shall exercise, in the manner herein indicated, its jurisdiction over United States citizen employees and dependents with respect to all offenses arising from acts or omissions committed by them within the territory of the Republic of Panama and punishable under the laws of the Republic of Panama.

2. Concerning offenses committed by United States citizen employees or dependents that are punishable under the laws of both Parties, the authorities of the United States may request the Republic of Panama to waive its jurisdic-

tion in favor of the authorities of the United States. Said authorities shall, in their request, state the reasons therefor, and the Republic of Panama shall give favorable consideration to such requests in the following cases:

- (a) If the offense arises out of an act or omission done in the performance of official duty. In such cases, when requested by the authorities of the Republic of Panama or when the authorities of the United States may deem it necessary, the latter shall issue a certificate establishing that the offense originated from an act or omission occurring in the performance of official duty. The Republic of Panama shall consider this certificate as sufficient proof for the purposes of this paragraph, or shall request a review by the Coordinating Committee, within ten days of the date of receipt of the certificate. The Coordinating Committee shall complete its review within ten days from the date of receipt of the request, except when more thorough consideration may be necessary, in which case the Coordinating 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 authorities of the United States will not consider it necessary to issue a certificate of official duty.
- (b) If the offense is solely against the property or security of the United States and is committed in a Canal operating area or in a housing area. 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.

3. In any case in which the authorities of the Republic of Panama waive jurisdiction to the United States, or in cases in which the offense constitutes a crime under the laws of the United States, but not under the laws of the Republic of Panama, the accused United States citizen employee or dependent shall be tried outside of the territory of the Republic of Panama.

4. (a) The authorities of the Republic of Panama shall notify the authorities of the United States as promptly as possible of the arrest of any United States citizen employee or dependent.

(b) The following procedures shall govern the custody of an accused United States citizen employee or dependent over whom the Republic of Panama is to exercise its jurisdiction:

- (i) 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 authorities of the United States 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.
- (ii) When charged with murder, rape, robbery with violence, trafficking in drugs, or crimes against the security of the Panamanian State, the accused will remain in the custody of the authorities of the Republic of Panama. In these cases, the authorities of the Republic of Panama shall give sympathetic consideration to requests for custody by the authorities of the United States.

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

(b) When the accused is in the custody of the authorities of the United States, 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 United States citizen employee, or dependent shall be deemed to satisfy the bail requirement set by the laws of the Republic of Panama.

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

7. As is provided in the laws of the Republic of Panama, a United States citizen employee 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.

8. When an accused United States citizen employee or 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.

9. Whenever an accused United States citizen employee or a dependent is tried by the authorities of the Republic of Panama he shall be entitled to the procedural guarantees listed in annex C of this Agreement.

10. During the detention by the authorities of the Republic of Panama of a United States citizen employee or a dependent the authorities of the Republic of Panama shall permit members of his immediate family to visit him weekly. Material and medical assistance (such as food, clothing and comfort items) which the authorities of the United States 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.

11. The Coordinating Committee will constitute the channel of communication and information between the two Parties with regard to matters pertaining to the implementation of this article.

Article XX. GENERAL PROVISIONS

1. The activities of the United States in the Republic of Panama shall be carried out with adequate attention to public health and safety, and consequently, within the areas made available for the use of the United States under this Agreement, the authorities of the United States shall have the right to take appropriate sanitation measures. The authorities of the United States shall cooperate with the authorities of the Republic of Panama for these purposes.

2. United States citizen employees and dependents may bear private arms in accordance with applicable Panamanian laws and regulations.

3. The Commission shall establish regulations to provide for the handling of matters under its competence in the English and Spanish languages, as appropriate.

Article XXI. DURATION

This Agreement shall enter into force simultaneously with the entry into force of the Panama Canal Treaty signed this date, and shall remain in force throughout the period that the aforesaid Treaty remains in force.

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

CANAL OPERATING AREAS, HOUSING AREAS, ACCESSORY FACILITIES AND INSTALLATIONS, AND ANCHORAGES

The Canal operating areas, housing areas, accessory facilities and installations, and anchorages, the use of which is made available by the Republic of Panama to the United States by this Agreement, are described below and identified, but not definitively, on the maps* attached hereto and referenced herein. 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 Coordinating Committee established in article II 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.

1. (a) The Canal operating areas are described generally as follows:
 - (i) A continuous area generally following the course of the Panama Canal and generally contiguous to it, running from the Atlantic Ocean to the Pacific Ocean, and including the Atlantic entrance, Gatun Locks, dam, spillway and power station, portions of Gatun Lake, Gaillard Cut, Pedro Miguel Locks, Miraflores Lake, Miraflores Locks, spillway, filtration plant and power station, and the Pacific entrance, as well as the land and water areas encompassing them.
 - (ii) Certain areas not contiguous to the Canal, including the Brazos Brook area, the Gatun tank area, the Madden Dam and power station area, the Corozal/Cardenas area, and the Sosa hill area.

The Canal operating area described generally above, with the two exceptions hereinafter referred to, is identified on the map which is attached hereto as attachment No. 1 in the manner indicated on the legend thereof. Although not so identified on the referenced map, the land and water areas which lie beneath the Thatcher Ferry Bridge and any new bridge that is constructed along the Panama/Arraijan right of way, to the extent that they are within the boundaries of the Canal operating area described in subparagraph 1(a)(i), above, are included in, and are parts of, that Canal operating area.

- (iii) Barro Colorado Island, in the event and at such time as the Smithsonian Tropical Research Institute or an organization of similar purpose discontinues its activities there. This island is identified by name on the map attached hereto as attachment No. 1.
- (iv) Summit Naval Radio Station, at such time as use of the area is no longer required by the United States Forces. For purposes of this provision, this area is identified by name on the map attached hereto as attachment No. 1.

(b) The Canal Zone Penitentiary shall cease to be a part of the Canal operating area three years following the entry into force of this Agreement. For the purposes of this provision, the approximate center of this area is located at coordinate 441069 on the map attached hereto as attachment No. 1.

(c) The following areas shall cease to be a part of the Canal operating area five years following the entry into force of this Agreement:

- (i) The Mount Hope warehouse area; and

* For the 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 mentioned in annexes A and B are not printed here.

The map atlas is deposited in the archives of the Department of State where it is available for reference.

(ii) The Mount Hope motor transportation area.

For the purposes of this provision, the Mount Hope warehouse area is identified on the map attached hereto as attachment No. 2, SK 529-25-14A, in the manner indicated on the legend thereof, and the Mount Hope motor transportation area is identified on the map attached hereto as attachment No. 3, SK 529-25-13A in the manner indicated on the legend thereof.

(d) The following installations not contiguous to the Canal operating areas described in subparagraph 1(a) above shall be subject to the provisions of the Panama Canal Treaty and this Agreement applicable to the Canal operating areas:

- (i) Retirement Office (449-X);
- (ii) Sanitation Buildings (428, 428-X);
- (iii) Health Bureau Official Quarters (286, 288, 286-G);
- (iv) Pump House, Chilled Water (278);
- (v) Treasurer's Office (287, 287-X);
- (vi) Central Employment Office (363);
- (vii) Payroll Branch Office (365);
- (viii) Personnel Bureau Office (366);
- (ix) Grounds Maintenance Building (361);
- (x) Distribution Substation (367);
- (xi) District Court Building (310);
- (xii) Community Welfare (Red Cross) (0610-B);
- (xiii) Motor Transportation Facilities (0625-A through K, 0630-C);
- (xiv) Grounds Maintenance Office (0630-B);
- (xv) Sewage Treatment Plant (0626, 0626-A, 0626-B);
- (xvi) Grounds Maintenance Building (0586-X); and
- (xvii) Maintenance Field Shop (234).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 4, SK 529-25-1, in the manner indicated on the legend thereof.

- (xviii) Administration Building (101);
- (xix) Balboa Filtered Water—Pump Station (634);
- (xx) Community Service Office Building (635);
- (xxi) Training Center (0600, 0602, 0604);
- (xxii) Acon Water Reservoir;
- (xxiii) Grounds Maintenance Buildings (106, 108-X); and
- (xxiv) Garage (628-X).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 5, SK 529-25-2, in the manner indicated on the legend thereof.

- (xxv) Buildings (725, 726);
- (xxvi) Community Health Center Building (721);
- (xxvii) Maintenance Shop (1437);
- (xxviii) Garage Buildings (0900, 711-X, 761-X, 786-X, 787-X, 788-X, 789-X, 797-X, 1435);
- (xxix) Storage Sheds and Toilets (1559-X, 0773, 0849, 1435-X);

- (xxx) Community Service Youth Facilities (0910);
- (xxxi) Sewage Pump Station (0755);
- (xxxii) Magistrates Court (803);
- (xxxiii) Balboa Police Station (801, 801-R, 801-S, 801-T, 801-U); and
- (xxxiv) Water Tanks-Ancon Hill.

The installations which are described immediately above are identified on the map attached hereto as attachment No. 6, SK 529-25-3, in the manner indicated on the legend thereof.

- (xxxv) Docks 12, 13 and 19;
- (xxxvi) Harbor Master Building (43-A);
- (xxxvii) Construction Division Office (29-X);
- (xxxviii) Port Engineer Building (31);
- (xxxix) Instrument Repair Shop (1-J);
 - (xl) Apprentice Training Facilities (2A and 3);
 - (xli) Warehouses (5, 19, 4, 44-B and 42 including yard area and miscellaneous small support buildings);
 - (xlii) Supply Management Offices (28);
 - (xliii) Refrigeration and Air Conditioning Repair Facility (14);
 - (xliv) Maintenance Facilities (8 and 10);
 - (xlv) Toilets (21);
 - (xlvi) Pilots Carport (39-B);
 - (xlvii) Rigging Shed, Supporting Dock 19 (51);
 - (xlviii) Furniture Storage, Lubrication Warehouse (78);
 - (xlix) Community Service Balboa Recreational Tennis Courts;
 - (l) Pier 20 Area (including 57 and 57-X);
 - (li) Electronic Repair Facility (40);
 - (lii) Core Storage (12);
 - (liii) Central Air Conditioning Plant and Cooling Tower (9);
 - (liv) Maintenance Equipment Storage (13);
 - (lv) Sand Blasting Shed (12-A);
 - (lvi) Community Service Recreational Facility (9-A);
 - (lvii) Electrical Division Buildings (66-A, 66-B, 66-C, 66-D, 66-E, 38 and 36);
 - (lviii) Chilled Water Pump House (72);
 - (lix) Telephone Exchange Building (69); and
 - (lx) Building (37).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 7, SK 529-25-4, in the manner indicated on the legend thereof.

- (lxi) Toilets and Storage (1256);
- (lxii) Community Service Youth Facilities (0791);
- (lxiii) Foam Storage Facility (1254);
- (lxiv) Sewage Pump Station No. 2 (1208);
- (lxv) Dock 4;

(lxvi) Printing and Duplicating Center (911); and

(lxvii) Marine Traffic Control Center (909, 910).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 8, SK 529-25-5, in the manner indicated on the legend thereof.

(lxviii) Records Storage (42-D);

(lxix) Warehouse and Office (42-G, 42-F);

(lxx) Quarters Maintenance Shop (5052);

(lxxi) Toilets and Storage (5546);

(lxxii) Storage and Warehouse (5553);

(lxxiii) Surveying Office and Storage (5250);

(lxxiv) Community Service Center (5051, 5051-X);

(lxxv) Diablo Power Substation (5300);

(lxxvi) Office Building (5140); and

(lxxvii) Storage Warehouse (42-E).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 9, SK 529-25-6, in the manner indicated on the legend thereof.

(lxxviii) Water Tanks;

(lxxix) Water Pump Station (6219);

(lxxx) Toilets and Storage (6423);

(lxxxi) Community Welfare—AA (6550); and

(lxxxii) Los Rios Power Substation (6464).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 10, SK 529-25-7, in the manner indicated on the legend thereof.

(lxxxiii) Telephone Exchange (52);

(lxxxiv) Communication Field Office (53);

(lxxxv) Fire Station (62);

(lxxxvi) Community Service Center (65-A) and B.S.A. (729);

(lxxxvii) Gas Station, Noncommercial (57);

(lxxxviii) Housing Office, Maintenance Shops (58);

(lxxxix) Toilet and Storage (77-A, 0277-X, 332);

(xc) Sanitation Building (64); and

(xci) Community Health Center (63).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 11, SK 529-25-10, in the manner indicated on the legend thereof.

(xcii) Grounds Maintenance Offices, Toilets and Storage (40-A, 40-G, 141);

(xciii) Garages (29, 29-A, 108, 140);

(xciv) Telephone Exchange (102-X);

(xcv) A.R.S. (71, 74, 104, 135, 150, 208, 210, 220, 233-X, 236-X, 262, 355, 373, UX-1, UX-2, UX-3) and B.S.A. (122);

(xcvi) Public Toilet (385);

(xcvii) Fire Station (161);

(xcviii) Community Service Center (206); and

(xcix) Gatun Power Substation (100).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 12, SK 529-25-11, in the manner indicated on the legend thereof.

(c) Construction Division Office (7998);

(ci) Quarters Maintenance Shop and Office (7999);

(cii) Toilets and Storage (8038-X, 8471);

(ciii) Community Service Center (8040);

(civ) Sewage Pump Station (8140); and

(cv) Community Service Center Building Garage (8040-X).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 13, SK 529-25-12, in the manner indicated on the legend thereof.

(cvi) Engineering Survey Building (9212);

(cvii) Telephone Building (9214); and

(cviii) Fire Station Building (9100);

The installations which are described immediately above are identified on the map attached hereto as attachment No. 14, SK 529-25-8, in the manner indicated on the legend thereof.

(cix) Filtered Water Pump House (308); and

(cx) Paraiso Power Substations.

The installations which are described immediately above are identified on the map attached hereto as attachment No. 15, SK 529-25-9, in the manner indicated on the legend thereof.

(cxi) Motor Transportation Facilities (5046, 5063, 5064, 5064-A, 5065, 5067, 5077); and

(cxii) Canal/IRHE Power Interconnect Station.

The installations which are described immediately above are identified on the map attached hereto as attachment No. 16, SK 529-25-13, in the manner indicated on the legend thereof.

(cxiii) Mount Hope Warehouse Complex (7018, 7020, 7021, 7022, 7025-A, 7025-B, 7025-C, 7030, 7031, 7032, 7033);

(cxiv) Fire Station (7029);

(cxv) Mount Hope Water Filtration Plant (7035, 7037 and Water Tanks 1 and 2);

(cxvi) Air Conditioning and Refrigeration Maintenance (7024); and

(cxvii) Electrical Field Facilities (7051, 7051-A, 7051-B, 7051-C, 7051-D, 7056).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 17, SK 529-25-14, in the manner indicated on the legend thereof.

(cxviii) Tugboat Personnel Parking Area and Shed;

(cxix) Harbor Master Office and Boat House (1013);

(cxx) Administration Building (1105);

(cxxi) Dredging Division Office and Dock (3339);

(cxxii) Maintenance Facilities (1707, 1707-C, 1707-D, 1707-E, 1709, 1726, 1728, 1730, 1708);

(cxxiii) Telephone Exchange (1907);

(cxxiv) Signal Station—Top of Pier 6;

(cxxv) Tug Landings at ends of Piers 6 and 7; and

(cxxvi) Police Training Center (1107).

The installations which are described immediately above are identified on the map attached hereto as attachment No. 18, SK 529-25-15, in the manner indicated on the legend thereof.

(cxxvii) Buildings (22, 100, 82);

(cxxviii) Toilets and Storage (53);

(cxxix) Community Service Center and Telephone Exchange (1140);

(cxxx) Coco Solo Power Substation (3);

(cxxxii) Maintenance Shop (130); and

(cxxxiii) Imhoff Tanks (86, 91).

The installations which are described immediately above are identified on the maps attached hereto as attachment No. 19, SK 529-25-16, in the manner indicated on the legend thereof.

(cxxxiiii) Toilet and Storage (0349).

The installation which is described immediately above is identified on the map attached hereto as attachment No. 20, SK 529-25-18, in the manner indicated on the legend thereof.

(cxxxv) Amador Causeway and roadway south from southern tip of Fort Amador (Coordinates 601873 to 627847);

(cxxxvi) Naos Island launch landing facilities, including dispatcher buildings, piers, float, breakwater and access roadway (Coordinate 611858);

(cxxxvii) Flamenco Island Signal Station (Coordinate 627847);

(cxxxviii) Farfan Spillway (Coordinate 577868);

(cxxxix) Madden Wye Facilities (101, 102, 104, 105, 106, 107, 108, 109, 111, 112, 113, 114, 127, 128, 129, 149, 172, 173) (Coordinate 499016);

(cxxxix) Summit Power Substation (Coordinate 495013);

(cxl) Summit Explosive Storage Facilities (1, 2, and 3) (Coordinate 477030);

(cxli) 44 KV Power Transmission Line (Coordinates 519183 to 495013);

(cxlii) Coco Solito Water Meterhouse (6201) (Coordinate 229323); and

(cxliii) South Coco Solo Power Substation (1116) (Coordinate 232345).

The approximate centers or locations of the installations described immediately above are identified by the accompanying coordinates, as located on the map attached hereto as attachment No. 1.

(e) The following installations that are described in subparagraph 1(d) above shall cease to be installations subject to the provisions of this Agreement applicable to the Canal operating areas as stated below:

(i) Thirty calendar months following the entry into force of this Agreement:

(A) The Balboa Police Station complex (801, 801-R, 801-S, 801-T and 801-U).

(B) The Balboa Magistrates Court (803).

For the purposes of this provision, the Balboa Police Station complex and the Balboa Magistrates Court are identified on the map attached hereto as attachment No. 21, SK 529-25-3A, in the manner indicated on the legend thereof.

(ii) Three years following the entry into force of this Agreement:

(A) The Ancon District Court (310).

(B) The Cristobal Police Training Center (1107).

For the purposes of this provision, the Ancon District Court is identified on the map attached hereto as attachment No. 22, SK 529-25-1A, in the manner indicated

on the legend thereof, and the Cristobal Police Training Center identified on the map attached hereto as attachment No. 23, SK 529-25-15A, in the manner indicated on the legend thereof.

(iii) At such time as the United States ceases to use such installations:

(A) The Balboa Commissary Installation (725 and 726).

(B) The Coco Solo Commissary installation (100 and 22).

For the purposes of this provision, the Balboa Commissary Installation is identified on the map attached hereto as attachment No. 21, SK 529-25-3A, and the Coco Solo Commissary installation is identified on the map attached hereto as attachment No. 24, SK 529-25-16A.

(iv) At such time as the following areas and installations are required by the Republic of Panama for expansion of the Port of Balboa:

(A) The Pier 20 area (including 57 and 57-X).

(B) The Scrap Yard area (Less 42).

For the purposes of this provision, these areas and installations are identified on the map attached hereto as attachment No. 25, SK 529-25-4A, in the manner indicated on the legend thereof.

2. The Housing areas are as follows:

- (a) Coco Solo, as identified on the map attached hereto as attachment No. 19, SK 529-25-16, in the manner indicated on the legend thereof.
- (b) France Field (Gold Hill), as identified on the map attached hereto as attachment No. 20, SK 529-25-18, in the manner indicated on the legend thereof.
- (c) Margarita, as identified on the map attached hereto as attachment No. 13, SK 529-25-12, in the manner indicated on the legend thereof.
- (d) Mindi, as located on the map attached hereto as attachment No. 1 (approximate center at Coordinate 202286).
- (e) Gatun, as identified on the map attached hereto as attachment No. 12, SK 529-25-11, in the manner indicated on the legend thereof.
- (f) Gamboa, as identified on the map attached hereto as attachment No. 11, SK 529-25-10, in the manner indicated on the legend thereof.
- (g) Cardenas (Commission housing), as identified on the map attached hereto as attachment No. 26, SK 529-25-7A, in the manner indicated on the legend thereof.
- (h) Los Rios, as identified on the map attached hereto as attachment No. 10, SK 529-25-7, in the manner indicated on the legend thereof.
- (i) Corozal, as identified on the map attached hereto as attachment No. 10, SK 529-25-7, in the manner indicated on the legend thereof.
- (j) Diablo, as identified on the map attached hereto as attachment No. 9, SK 529-25-6, in the manner indicated on the legend thereof.
- (k) Balboa (La Boca), as identified on the maps attached hereto as attachments Nos. 6 and 8, SK 529-25-3 and SK 529-25-5, in the manner indicated on the legends thereof.
- (l) Balboa Heights, as identified on the map attached hereto as attachment No. 5, SK 529-25-2, in the manner indicated on the legend thereof.
- (m) Ancon, as identified on the map attached hereto as attachment No. 4, SK 529-25-1, in the manner indicated on the legend thereof.
- (n) 18 housing units located within the area identified as the "Summit Naval Radio Station" on the map attached hereto as attachment No. 1, in the event, and at such time as the area ceases to be a Military Area of Coordination.

- (o) Cardenas (FAA housing), as identified on the map attached hereto as attachment No. 27, SK 529-25-7AA, in the manner indicated on the legend thereof, in the event and at such time as the use of said housing area by the Federal Aviation Administration terminates and the area ceases to be an area subject to a separate bilateral agreement.

3. The accessory installations and facilities outside the areas made available for the use of the United States which the United States may continue to use are as follows:

- (a) Aids to navigation;
- (b) Triangulation stations;
- (c) Hydrographic stations and telemetering stations;
- (d) Spoil dump areas;
- (e) Ship beaching areas;
- (f) Saddle dams, dikes and water control structures;
- (g) Piers and docks;
- (h) Bank stability surveillance and protection systems;
- (i) Support facilities; and
- (j) Other existing facilities and installations required for the management, operation, or maintenance of the Canal (such as maintenance facilities, utility lines, and pipelines).

4. The Anchorages are as follows:

- (a) The Pacific anchorage area, as identified on navigational chart No. 21603, attached hereto as attachment No. 28, in the manner indicated on the legend thereof.
- (b) The Atlantic anchorage area, as identified on navigational chart No. 26068, attached hereto as attachment No. 29, in the manner indicated on the legend thereof.

5. The areas for expansion of the Anchorages are as follows:

- (a) The Pacific Anchorage expansion area, as identified on the navigation chart attached hereto as attachment No. 28, in the manner indicated on the legend thereof.
- (b) The Atlantic anchorage expansion area, as identified on the navigational chart attached hereto as attachment No. 29, in the manner indicated on the legend thereof.
- (c) The Limon Bay anchorage expansion area, as identified on the navigational chart attached hereto as attachment No. 29, in the manner indicated on the legend thereof.

6. The following land and water areas outside of the areas made available for the use of the United States pursuant to the Panama Canal Treaty are also subject to the land use licensing procedure set forth in article IV of this Agreement as stated:

- (a) As of the entry into force of this Agreement:
 - (i) The Chagres River between Gamboa and Madden Dam to the 100 foot contour line. The Chagres River between Gatun Dam and the Caribbean Sea to the 30 foot contour line.
 - (ii) Near to the Atlantic entrance to the Canal:
 - Within Limon Bay, those areas west of the Canal's channel that are not within the Canal operating area.
 - Outside Limon Bay, for a distance of 3 kilometers on each side of the center line of the Canal's channel from the breakwater north for a distance of 3 nautical miles.
 - (iii) Near the Pacific entrance of the Canal:
 - Along the east bank of the Canal from Balboa Port south to the Amador causeway, 30 meters inland from the high water mark.

- Along that portion of the Amador causeway extending from the southern limit of the Fort Amador mainland to Naos Island, the area northeast of the causeway for a distance of 1 kilometer.
 - The water areas within a distance of 3 kilometers each side of the center line of the Canal channel from a point (Coordinate 603855) near Naos Island extending south-east paralleling the Canal center line for a distance of 3 nautical miles.
 - The water areas between the easterly boundary of the Howard Air Force Base-Fort Kobbe Complex and the Canal channel.
- (b) Three years after the entry into force of this Agreement: Canal Zone Penitentiary area (Gamboa), as described in subparagraph 1(b) above.

ANNEX B

PORTS OF BALBOA AND CRISTOBAL

The areas and installations of the Ports of Balboa and Cristobal, as well as certain specific use rights and guarantees granted by the Republic of Panama to the United States in connection therewith, are described below and, in the case of the said areas and installations, are identified, but not definitively, on the maps attached hereto* and referenced herein and on various maps attached to annex A. 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 and in the same manner as described in annex A. 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.

1. The boundaries of the Ports of Balboa and Cristobal are identified on the maps attached hereto as attachments Nos. 1 and 2, respectively, in the manner indicated on the legends thereof.

2. The United States shall have the right to use, for the management, operation, maintenance, protection and defense of the Canal, the following port installations and equipment which the Republic of Panama shall maintain in efficient operating condition:

- (a) Docks 6, 7, 14, 15, 16, 17, and Pier 18, including fendering systems, capstans, camels, bollards, bits, and wearing surfaces, railroad spurs, crane tracks, signal lights, water lines, sewers, compressed air lines, power cables, telephone cables, duct lines and material handling equipment, tunnels, and switch gear.
- (b) Facilities.
 - i) Drydock No. 1, including all of the following facilities, equipment and utilities required to support its operation:
 - (A) Drydock Miter Gates and two electric motors and mechanical systems for opening and closing the gates.
 - (B) Fifty keel blocks and one hundred and fifty hauling blocks, including all hauling block tracks, chain sheaves, brackets, hauling chains, and blocking dogs.
 - (C) Ten capstans.
 - (D) Flooding/dewatering tunnels.
 - (E) Four dewatering pumps, two drainage pumps, and one salt water pump.

* See footnote, p. 128.

- (F) All valves, bulkheads, and screens in the flooding and dewatering system.
- (G) Three stationary 1,600 CFM Joy Air Compressors.
- (H) One elevator.
- (I) Sixteen portable rain sheds.
- (J) Dock 8.
- (K) All electrical switch gear, lighting and power systems, water and compressed air piping, and hydraulic control systems located in Building 29, the Drydock and Dock 8.

(ii) Buildings:

<i>Numbers</i>	<i>Description</i>
1	Machine Shop
1-C	Facilities Building (Storage)
1-D	Launch Repair
1-G	Pipe Shop
1-H	Central Toolcrib, Hose and blower room; power tool repair shop
29	Pump and compressor plant
32	Drydock block storage shed
17, 18, 20, 25 & 30	Toilet and locker rooms
	All utility tunnels, electrical, air and water systems which serve these buildings.

(c) Machine Tools and Equipment:

- (i) Cranes D-4 (50-ton, steam), and D-19-N (30-ton, diesel-electric) and all trackage.
- (ii) Portable 5-ton electric cranes (US-28 and 52).
- (iii) Overhead Cranes: Two in Bldg. 29; two in Bldg. 1.
- (iv) Scaffolding and gangways.
- (v) Bolt Cutting and threading machine, M-569-N.
- (vi) Grinding machine, M-723-N.
- (vii) Band saws: T-222-N, T-277-N, XT-627, N-27 and BR-65.
- (viii) Lathes: M-267, M-539-N, M-820-N, L-121-N, L-132, XM-729-N, XM-741-N, and XM-808-N.
- (ix) Milling machines: M-575-N, L-99-N, L-100-N and L-118-N.
- (x) Planers: M-178 and M-824-N.
- (xi) Drill presses: M-578-N, M-701 and M-709-N.
- (xii) Wood Lathe, N-36.
- (xiii) Wood Planer, N-24.
- (xiv) Wood jointer, M-197-N.
- (xv) Jointer-Planer, BR-64.
- (xvi) Wood saw, M-29-N.
- (xvii) Bench saw, BR-66.

- (xviii) Disc sander, N-32.
- (xix) Surfacing machine, L-207.
- (xx) Threading machines, L-194 and T-223-N.
- (xxi) Shear, XT-290.
- (xxii) Dynamometer, L-172.
- (xxiii) Bolt-heading machine, F-174-N.
- (xxiv) Grinding machines, XW-599-N and XM-758.
- (xxv) Bending machine, T-231-N.
- (xxvi) Mortising machine, XW-707-N.
- (xxvii) Router and boring machine, XW-820-N.
- (xxviii) Edge planer, XB-872.
- (xxix) Table saw, XW-572-N.

3. The United States shall have the right, on a guaranteed basis, to use the following installations and port services in accordance with the Commission's maintenance schedules or for emergency repairs:

- (a) The facilities listed in paragraph 2(b) of this annex.
- (b) The machine tools and equipment listed in paragraph 2(c) of this annex.
- (c) Access:
 - (i) Paved yard area adjacent to Drydock No. 1 and to the buildings listed in subparagraph 2(b)(ii) of this annex.
 - (ii) Required water access for floating equipment and vessels from Canal operating area to Drydock No. 1 includes water depth sufficient to clear gate sill (- 39.5 feet PLD) and sufficient lateral clearance between Docks 7 and 8 to permit safe entry.

ANNEX C

PROCEDURAL GUARANTEES

A United States citizen employee, 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 pretrial custody.
- (q) Not to be subject to the application of martial law or trial by military courts or special tribunals.
- (r) To enjoy all 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 III OF THE PANAMA CANAL TREATY

1. With reference to paragraph 2 of article I, it is agreed that skilled, technical or professional employees of the Commission, who are nationals of States other than the United States or the Republic of Panama, and their dependents, shall have the same rights and privileges as United States citizen employees and dependents under the Panama Canal Treaty and the Agreement in implementation of article III of that Treaty (hereinafter referred to as "the Agreement"). Presence in connection with employment by the Commission shall not be considered as residence in the Republic of Panama. However, this provision shall not apply to nationals of third States recruited within the Republic of Panama after the entry into force of the Agreement.

2. With reference to article II, it is contemplated that the United States may be represented on the Coordinating Committee by a senior United States citizen official or employee of the Commission and that the Republic of Panama will be represented by a citizen of the Republic of Panama of corresponding level or rank.

3. With reference to article VI:

- (a) It is understood that during the five years following the entry into force of the Panama Canal Treaty, certain United States nationals employed by the United States Forces, such as employees of medical and educational facilities, and their dependents, shall be considered to be United States citizen employees and dependents.
- (b) It is understood that a housing unit is an individual family apartment, bachelor apartment or bachelor room in a single or multi-dwelling building. The minimum percentages of housing units, the use of which will pass to the Republic of Panama, have been calculated on the basis of an estimated inventory of approximately 4,300 housing units owned by the Panama Canal Company immediately prior to entry into force of the Agreement.

4. With reference to paragraph 3 of article XIII, concerning educational services that may be furnished to United States citizen employees and their dependents, it is understood that the United States may continue to furnish such services to dependents of any person, regardless of nationality, in those cases in which such dependents were enrolled in the school system of the former Canal Zone Government prior to the entry into force of the Agreement.

5. With reference to paragraph 2 of article XIX, it is understood that, as a matter of general policy, the Republic of Panama will waive jurisdiction to the United States, at its request, in cases arising under that paragraph.

6. With reference to paragraph 4(b) of article XIX, the five offenses under Panamanian law referred to are understood to be:

- (a) Murder: the intentional killing of one person by another.
- (b) Rape: 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: 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: 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: espionage, sabotage, or terrorism directed against the constituted powers or authorities of the Republic of Panama, with the purpose of overthrowing them.

7. With reference to annex A, it is understood that the United States may continue to provide utility services, in coordination with the appropriate authorities of the Republic of Panama, for certain of those areas and facilities transferred to the Republic of Panama as provided in article XIII of the Panama Canal Treaty. It is further understood that since the utilities systems serving many of these areas and facilities are fully integrated with those of the Canal, the United States may, on behalf of the utilities agencies of the Republic of Panama, continue to provide utilities such as power, water, and sewers to private persons or to agencies of the Government of Panama in such areas. It is further understood that the utilities agencies of the Republic of Panama will be responsible for setting rates for and billing such of its customers, and will reimburse the United States for its cost in providing such services.

8. With reference to subparagraph 1(a) of annex A:

- (a) It is understood that the Republic of Panama may construct (i) an Atlantic Coast Highway through a right-of-way to be agreed upon by the Parties, at such time as the Republic of Panama is prepared to begin construction of that highway, and (ii) a new highway on the Pacific side of the Isthmus through a right-of-way to be agreed upon by the Parties at such time as the Republic of Panama is prepared to begin construction of that highway. It is further understood that the bridge over the Canal, in each case, will be constructed sufficiently high so as not to interfere with the operation of the Canal or with any improvements that may be made to the Canal.
- (b) It is understood that the National Port Authority of the Republic of Panama will have the right to use, free of cost, the marine bunkering facilities located on Pier 16, Cristobal, for discharging petroleum products, subject always to the right of the United States to use those facilities on a priority basis. It is further understood that, in connection with its use of those facilities, the Republic of Panama will not alter or modify Pier 16, the marine bunkering facilities or the utilities thereon, except as mutually agreed, and will reimburse the United States for any damage caused as a result of the Republic of Panama's use of such facilities.

9. With reference to paragraphs 1(d)(xxxiii) and 1(e)(i)(A) of annex A, it is understood that the United States shall make available to the Republic of Panama appropriate areas within the Balboa Police Station Complex for police liaison purposes for the thirty-month transition period following the entry into force of the Agreement. It is understood that at the end of that period, the provisions of paragraph 2(b) of article XIII of the Panama Canal Treaty shall apply. With reference to paragraph 1(d)(cxx) of annex A, it is understood that the United States shall, if requested by the Republic of Panama, make available to the Republic of Panama appropriate areas within the Cristobal Police Station (located in Building 1105) for police liaison purposes for the aforesaid thirty-month period and, thereafter, for general police functions.

10. With reference to subparagraphs 1(e)(iv)(A) and (B) of annex A, it is understood that at such time as Pier 20 and the Scrap Yard area referred to therein cease to be areas subject to the provisions of the Agreement applicable to the Canal operating areas, the Republic of Panama will provide comparable and acceptable pier space in Balboa Harbor and scrap yard areas for the use of the Commission at no charge.

11. With reference to paragraph 2 of annex A, it is understood that the United States may continue to operate and maintain non-commercial recreational and community service areas and facilities for the benefit of all occupants of the housing areas and all employees of the Commission, and their dependents, on a nondiscriminatory basis. It is further understood that recreational and community service activities conducted in such areas and facilities will be non-commercial, and there will be no user charges associated therewith unless otherwise agreed by the Parties.

12. With reference to subparagraph 3(d) of annex A, it is understood that such spoil dump areas include the spoil dump areas identified on the navigational charts attached thereto as attachments 28 and 29, in the manner indicated on the legend thereof.

13. With reference to subparagraph 3(j) of annex A, it is understood that the Republic of Panama will not undertake or permit any construction, excavation or other activity which may endanger or encroach upon underground or aboveground installations, including pipes, ducts, culverts, cables, microwave paths and transmission lines, except as may be otherwise agreed in the Coordinating Committee.

14. With reference to attachment Nos. 1 and 6 of annex A, it is understood that the Republic of Panama shall continue to use the Balboa Fire Station (building 703, attachment No. 6) and the Coco Solito Fire Station (building 96, attachment No. 1, coordinates 231328) as fire protection installations throughout the life of the Agreement, unless otherwise agreed by the Parties. The provisions of paragraph 2(a) of article XIII of the Panama Canal Treaty apply to such fire stations. It is further understood that the United States, which may continue to provide fire protection of Commission areas and installations, and the Republic of Panama, which is responsible for fire protection generally throughout its territory, will review periodically the most effective allocation of both Parties' fire protection resources, and, if appropriate, the United States will transfer to the Republic of Panama such other fire stations as are excess to its needs. The Republic of Panama shall continue the use of any installations so transferred as fire protection installations for the life of the Agreement, unless otherwise agreed. It is understood also that both Parties will cooperate fully in ensuring effective and efficient delivery of fire protection services throughout the vicinity of the Canal.

15. With reference to attachments 1, 14 and 15 to annex A, it is understood that prior to authorizing any new use of or activities in the townsites of Pedro Miguel (attachment No. 14) or Paraiso (attachment No. 15) or (a) the land areas within a distance of 3 kilometers each side of the center line of the Canal channel from a point (coordinates 603855) near Naos Island extending southeast paralleling the Canal center line for a distance of 3 nautical miles, or (b) the land areas between the easterly boundary of the Howard Air Force Base—Fort Kobbe Complex and the Canal channel, the Republic of Panama shall ensure that the Commission concurs in writing that the proposed use or activity would be compatible with the efficient management, operation, maintenance, protection and defense of the Canal. It is further understood that the Republic of Panama (a) shall control and supervise the activities to be carried out under its responsibility in the aforementioned townsites and areas to ensure that such activities are compatible with such purposes, and (b) shall take the measures necessary to prevent, or to terminate, any activity that, in the opinion of the Commission, is incompatible with such purposes. It is further understood that, with reference to the aforementioned townsites of Pedro Miguel and Paraiso, the provisions of paragraphs 4 and 6 of article VI of the Agreement will apply thereto.

16. With reference to attachment No. 4 to annex A, it is understood that for thirty calendar months following the entry into force of the Agreement the United States may, for activities related to the management, operation or maintenance of the Panama Canal, continue to use certain office space located in the Civil Affairs Building (building No. 0610), title to which is transferred to the Republic of Panama upon the entry into force of the Agreement as provided in article XIII of the Panama Canal Treaty. It is further understood that, notwithstanding paragraph 4(xiii) of the annex to the Panama Canal Treaty, the Commission may use such building to operate and maintain the museum and library collections which are located therein upon the entry into force of the Agreement.

17. With reference to attachment No. 6 to annex A:

- (a) It is understood that the Republic of Panama shall ensure that recreational and entertainment activities comparable to those currently provided will continue to be provided in the Bowling Alley, Cafeteria, and Theater located in Balboa (buildings 717-X, 727, and 727-C) throughout the life of the Agreement, unless otherwise agreed by the Parties. The provisions of paragraph 2(a) of article XIII of the Panama Canal Treaty apply to such facilities.

(b) It is understood that the Republic of Panama shall continue use of the Balboa Post Office (building 724) and the Gamboa Post Office (building 61) as postal service installations throughout the life of the Agreement, unless otherwise agreed by the Parties. The provisions of paragraph 2(a) of article XIII of the Panama Canal Treaty apply to such post offices.

18. With reference to attachment 7 to annex A, it is understood that the Republic of Panama will permit access to and scheduled use of the baseball and softball fields located in the Port of Balboa by organized leagues until such time as the area in which such fields are located is converted to other use. It is further understood that at such time as any of such fields is converted to other use, the Republic of Panama will make available, without charge, other areas suitable for the use of organized leagues.

19. With reference to attachment No. 18 of annex A, it is understood that appropriate areas in the Cristobal Administration Building (building 1105) shall be made available to the postal service system of the Republic of Panama for postal service purposes.

20. With reference to attachment 1 to annex B:

(a) It is understood that the Ports and Railroads Committee will not approve any activity within the area which constituted the Corozal Antenna Field, prior to the entry into force of the Agreement, which would require construction of piers, docks, quays, or any similar structures along the banks of the Canal or within 250 feet of such banks.

(b) It is understood that the installations, shipyards, buildings, and equipment within said buildings, which make up the Naval Industrial Reserve Shipyard and which, in accordance with article V of the Agreement, shall be made available to the United States in event of a defense emergency, include the following facilities: drydocks 1, 2, and 3; docks 7, 8, 12, and 13; cranes D-4 and D-19-N; buildings 1, 1A, 1C, 1D, 1G, 1H, 1J, 30, 17, 31, 20, 18, 2, 2A, 3, 4, 4B, 29, 25, 16, 11, 23, 12, 29B, 12A, 12X, and 13; the transfer table and capstans. It is understood, however, that only those of the above facilities which have been transferred to the Republic of Panama shall be deemed to be included within the Naval Industrial Reserve Shipyard for the purposes of paragraph 2(g) of article V of the Agreement.

(c) It is understood that the Republic of Panama will permit the American Legion and the Balboa Yacht Club to continue their operations in building 1370 and the adjacent facilities, unless otherwise agreed in the Ports and Railroads Committee.

21. With reference to attachment 2 to annex B, it is understood that the United States may use Pier 8 in the Port of Cristobal for berthing and handling cargo for the *SS Cristobal*, or for any successor to it, on a priority basis.