

Sec.

## PART 3—TRANSITION AUTHORITY

3851, 3852. Repealed.

## SUBCHAPTER III—GENERAL PROVISIONS

## PART 1—PROCUREMENT

3861. Procurement system.

3862. Panama Canal Board of Contract Appeals.

## PART 2—ADMINISTRATION

3871. Annual report.

3872. Notification requirements.

3873. Exemption from Metric Conversion Act of 1975.

**§ 3601. Congressional statement of purpose**

It is the purpose of this chapter to provide legislation necessary or desirable for the implementation of the Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama and of the related agreements accompanying that Treaty.

(Pub. L. 96-70, §2, Sept. 27, 1979, 93 Stat. 455.)

**Editorial Notes**

## REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning Pub. L. 96-70, Sept. 27, 1979, 93 Stat. 452, known as the Panama Canal Act of 1979, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note below and Tables.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE

Pub. L. 96-70, title III, §3304, Sept. 27, 1979, 93 Stat. 500, provided that: “Except as provided in sections 1231 [enacting section 3671 of this title and amending sections 5595, 5724a, and 8102 of Title 5, Government Organization and Employees], 1232 [enacting section 3672 of this title and provisions set out as a note under section 3672 of this title], 1241 [amending section 8336 of Title 5 and enacting provisions set out as notes under section 8336 of Title 5], 1242 [amending section 8339 of Title 5 and enacting provisions set out as notes under section 8339 of Title 5], 1261 [enacting section 3691 of this title and provisions set out as a note under section 3691 of this title], 1605 [enacting section 3795 of this title and provisions set out as a note under section 3795 of this title], 2203 [enacting section 3843 of this title and provisions set out as a note under section 3843 of this title], 2402 [enacting section 3852 of this title and provisions set out as a note under section 3852 of this title], 3101 [enacting section 3861 of this title], and 3201 [amending sections 1101 and 1182 of Title 8, Aliens and Nationality, and enacting provisions set out as notes under sections 1101 and 1182 of Title 8] of this Act, the preceding provisions of this Act [see Short Title note below] shall take effect on the date on which the Panama Canal Treaty of 1977 enters into force [Oct. 1, 1979].”

## SHORT TITLE OF 1999 AMENDMENT

Pub. L. 106-65, div. C, title XXXV, §3501, Oct. 5, 1999, 113 Stat. 974, provided that: “This title [amending section 3714a of this title and enacting provisions set out as a note under section 3714a of this title] may be cited as the ‘Panama Canal Commission Authorization Act for Fiscal Year 2000’.”

## SHORT TITLE OF 1997 AMENDMENT

Pub. L. 105-85, div. C, title XXXV, §3511(a), Nov. 18, 1997, 111 Stat. 2062, provided that: “This subtitle [subtitle B (§§3511-3550) of title XXXV of div. C of Pub. L.

105-85, enacting sections 3673, 3861, and 3862 of this title, amending sections 3602, 3612a, 3612b, 3613, 3620, 3622, 3642, 3650, 3652, 3656, 3657, 3658, 3661, 3662, 3664, 3671, 3681, 3701, 3712, 3714b, 3715c, 3731, 3751, 3752, 3771, 3772, 3776, and 3792 of this title and sections 5315, 5724, and 5724a of Title 5, Government Organization and Employees, repealing sections 3655, 3659, and 3665 of this title, and enacting provisions set out as notes under section 3650 of this title and section 5724 of Title 5] may be cited as the ‘Panama Canal Transition Facilitation Act of 1997’.”

## SHORT TITLE OF 1996 AMENDMENTS

Pub. L. 104-201, div. C, title XXXV, §3521(a), Sept. 23, 1996, 110 Stat. 2860, provided that: “This subtitle [subtitle B (§§3521-3549) of title XXXV of div. C of Pub. L. 104-201, enacting sections 3714b and 3873 of this title, amending sections 3602, 3613, 3614, 3623, 3642, 3649 to 3653, 3657, 3658, 3663, 3664, 3671, 3682, 3712, 3713, 3721, 3723, 3731, 3741, 3751, 3777, and 3811 of this title and sections 3401, 5102, 5342, 5343, 5348, 5373, 5537, 5541, 5924, 6322, and 7901 of Title 5, Government Organization and Employees, repealing sections 3654, 3683, 3711, 3795, 3801, 3802, 3831, 3841 to 3844, 3851, 3852, and 3861 of this title, enacting provisions set out as notes under sections 3613, 3614, and 3652 of this title, and repealing provisions set out as notes under sections 3795 and 3843 of this title] may be cited as the ‘Panama Canal Act Amendments of 1996’.”

Pub. L. 104-106, div. C, title XXXV, §3521, Feb. 10, 1996, 110 Stat. 638, provided that: “This subtitle [subtitle B (§§3521-3530) of title XXXV of div. C of Pub. L. 104-106, enacting sections 3612a and 3612b of this title and amending sections 3611, 3612, 3645, 3712, 3713, 3723, 3731, 3761, 3775, 3776, 3791, and 3794 of this title and section 9101 of Title 31, Money and Finance] may be cited as the ‘Panama Canal Amendments Act of 1995’.”

## SHORT TITLE OF 1988 AMENDMENT

Pub. L. 100-705, §1, Nov. 19, 1988, 102 Stat. 4685, provided that: “This Act [enacting sections 3715 to 3715d of this title, amending sections 3612, 3712, and 3731 of this title, and enacting provisions set out as a note under section 3612 of this title] may be cited as the ‘Panama Canal Commission Compensation Fund Act of 1988’.”

## SHORT TITLE OF 1987 AMENDMENT

Pub. L. 100-203, title V, §5421, Dec. 22, 1987, 101 Stat. 1330-371, provided that: “This part [part 2 of subtitle E (§§5421-5429) of title V of Pub. L. 100-203, enacting section 3714 of this title, amending sections 3683, 3711, 3712, 3713, 3751, 3753, 3754, 3792, and 3793 of this title and section 8348 of Title 5, Government Organization and Employees, and enacting provisions set out as a note under section 3683 of this title] may be referred to as the ‘Panama Canal Revolving Fund Act’.”

## SHORT TITLE OF 1985 AMENDMENT

Pub. L. 99-209, §1, Dec. 23, 1985, 99 Stat. 1716, provided that: “This Act [enacting section 3779 of this title, amending sections 3771, 3772, and 3774 to 3776 of this title, and enacting provisions set out as a note under section 3771 of this title] may be cited as the ‘Panama Canal Amendments Act of 1985’.”

## SHORT TITLE

Pub. L. 96-70, §1, Sept. 27, 1979, 93 Stat. 452, provided that: “This Act [enacting this chapter, amending section 2778 of this title, sections 305, 5102, 5316, 5342, 5343, 5348, 5373, 5504, 5533, 5541, 5583, 5595, 5724a, 6301, 6322, 6323, 8102, 8146, 8335, 8336, 8339, 8348, 8701, and 8901 of Title 5, Government Organization and Employees, sections 1101 and 1182 of Title 8, Aliens and Nationality, section 213 of Title 29, Labor, sections 403, 3401, and 3682 of Title 39, Postal Service, and sections 191, 195, and 196 of Title 50, War and National Defense, repealing section 3402 of Title 39 and section 191b of Title 50, and enacting provisions set out as notes under sections 3601, 3602, 3672, 3691, 3795, 3843, and 3852 of this title, sections 8336 and 8339 of Title 5, and sections 1101 and 1182 of Title 8] may be cited as the ‘Panama Canal Act of 1979’.”

**Executive Documents****EX. ORD. NO. 12173. CONTINUING APPLICABILITY OF PANAMA CANAL REGULATIONS**

Ex. Ord. No. 12173, Nov. 29, 1979, 44 F.R. 69271, as amended by Ex. Ord. No. 12203, Mar. 26, 1980, 45 F.R. 20451, provided:

By the authority vested in me as President of the United States of America by Section 301 of Title 3 of the United States Code, by the Panama Canal Code (76A Stat. 1), as amended, and by Public Law 96-70 (93 Stat. 452) [see Short Title note above], and in accordance with the rights granted to the United States of America by the Panama Canal Treaty of 1977 "to manage, operate, and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal," it is hereby ordered as follows:

1-101. All regulations that were adopted by the President or his delegates pursuant to former Title 2 of the Canal Zone Code (76A Stat. 6-50), repealed by Section 303(a)(1) [probably should be 3303(a)(1)] of Public Law 96-70, or actions taken pursuant thereto, that were in effect on September 30, 1979, and that address matters which the President is authorized to regulate pursuant to Public Law 96-70 [see Short Title note above], shall remain in effect unless or until amended, superseded, or otherwise terminated by the President or the Panama Canal Commission. This extension shall not apply to the extent that any such regulation or action is inconsistent with the provisions of the Panama Canal Treaty of 1977, its implementing agreements, or Public Law 96-70.

1-102. The Secretary of Defense shall exercise the powers and carry out the responsibilities vested in the President of the United States by the Panama Canal Code (76A Stat. 1), as amended, and Public Law 96-70 (93 Stat. 452), except for those powers and responsibilities vested in the President by Sections 1102(b), 1103, 1104, 1105(a), 1106(b), 1108, 1109(a), 1112(d), 1243(a)(1), 1321(c), 1344(b), 1504(b), 1601(a), 2206(b) and 3301 of Public Law 96-70 [sections 3612(b), 3613, 3614, 3615(a), 3616(b), 3618, 3619(a), 3622(d), 3681(a)(1), 3731(c), 3754(b), 3784(b), 3791(a), [former] 3844(b) and 3871 of this title]. This delegation shall be effective until May 15, 1980.

JIMMY CARTER.

**EX. ORD. NO. 12215. DELEGATION OF PANAMA CANAL FUNCTIONS**

Ex. Ord. No. 12215, May 27, 1980, 45 F.R. 36043, as amended by Ex. Ord. No. 12652, Sept. 19, 1988, 53 F.R. 36775, provided:

By the authority vested in me as President of the United States of America by the Panama Canal Code (76A Stat. 1), as amended, by the Panama Canal Act of 1979 (93 Stat. 452; 22 U.S.C. 3601 et seq.), and by Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

**1-1. THE SECRETARY OF DEFENSE**

1-101. The Secretary of Defense shall develop for the President's consideration an appropriate legislative proposal as required by Section 3(d) of the Panama Canal Act of 1979 (93 Stat. 456; 22 U.S.C. 3602(d)). The Secretary of Defense shall coordinate development of this proposal with the Secretary of State and the heads of other interested Executive agencies.

1-102. The function vested in the President by Section 1212(d)(1) of the Panama Canal Act of 1979 (93 Stat. 464; 22 U.S.C. 3652(d)(1)) to exclude employees of, or positions within, the Department of Defense from coverage under any provision of subchapter II, Chapter 2 of Title I of the Panama Canal Act of 1979 [22 U.S.C. 3651 et seq.], is delegated to the Secretary of Defense.

1-103. The function vested in the President by Section 1281(b) of Title 6 of the Panama Canal Code (76A Stat. 455; 6 P.C.C. 1281(b)), as amended, with respect to areas and installations made available to the United States pursuant to the Agreement in Implementation of Arti-

cle IV of the Panama Canal Treaty of 1977 is delegated to the Secretary of Defense.

1-104. The function vested in the President by Section 1701 of the Panama Canal Act of 1979 (93 Stat. 492; 22 U.S.C. 3801), with respect to regulations applicable within the areas and installations made available to the United States pursuant to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, is delegated to the Secretary of Defense.

1-105. The functions vested in the President by Sections 1243(c)(1) and 2401 of the Panama Canal Act of 1979 (93 Stat. 474 and 495; 22 U.S.C. 3681(c)(1) and 3851) are delegated to the Secretary of Defense.

1-106. The functions vested in the President by Section 1502(a) of the Panama Canal Act of 1979 (93 Stat. 488; 22 U.S.C. 3782(a)) are delegated to the Secretary of Defense.

**1-2. COORDINATION OF PAY AND EMPLOYMENT PRACTICES**

1-201. In order to coordinate the policies and activities of agencies under subchapter II of Chapter 2 of Title I of the Panama Canal Act of 1979 (93 Stat. 463; 22 U.S.C. 3651 et seq.), each agency shall periodically consult with the Secretary of Defense with respect to the establishment of rates of pay, in order to develop compatible or unified systems for basic pay. In addition, each agency shall consult with the Secretary of Defense on such other matters as the Secretary may deem appropriate in order to develop compatible or unified employment practices.

1-202. The head of each agency shall, upon approval by the Secretary of Defense, adopt a schedule of basic pay pursuant to Section 1215 of the Panama Canal Act of 1979 (93 Stat. 465; 22 U.S.C. 3655) and adopt regulations governing other matters relating to pay and employment practices.

1-203. The authority vested in the President by Section 1223(a) of the Panama Canal Act of 1979 to coordinate the policies and activities of agencies (93 Stat. 467; 22 U.S.C. 3663(a)) is delegated to the Secretary of Defense. The Secretary shall exercise such functions in a manner which is in accord with the provisions of Sections 1-201 and 1-202 of this Order.

**1-3. PANAMA CANAL COMMISSION**

1-301. The functions vested in the President and delegated to the Secretary of Defense in this Section 1-3 of this Order shall be carried out by the Secretary of Defense, who shall, in carrying out the said functions, provide, by redelegation or otherwise, for their performance, in a manner consistent with paragraph 3 of Article III of the Panama Canal Treaty of 1977, by the Panama Canal Commission.

1-302. The authority of the President under Section 1104 of the Panama Canal Act of 1979 (93 Stat. 457; 22 U.S.C. 3614) to fix the compensation of and to define the authorities and duties of the Deputy Administrator and the Chief Engineer is delegated to the Secretary of Defense.

1-303. The functions vested in the President by Sections 1418, 1801, and 2206 of the Panama Canal Act of 1979 (93 Stat. 487, 492, and 494; 22 U.S.C. 3778, 3811, and 3844) are delegated to the Secretary of Defense.

1-304. The authority of the President under Section 1701 of the Panama Canal Act of 1979 (93 Stat. 492; 22 U.S.C. 3801) with respect to regulations applicable within the areas and installations made available to the United States pursuant to the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977 is delegated to the Secretary of Defense.

1-305. The function vested in the President by Section 1281(b) of Title 6 of the Panama Canal Code (76A Stat. 455; 6 P.C.C. 1281(b)), as amended, with respect to areas and installations in the Republic of Panama made available to the United States pursuant to the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977 is delegated to the Secretary of Defense.

1-306. The functions vested in the President by Sections 82 and 86 of Title 3 of the Panama Canal Code (76A Stat. 54 and 55; 3 P.C.C. 82 and 86), as amended, are delegated to the Secretary of Defense.

[1-307. Rescinded by Ex. Ord. No. 12652, Sept. 19, 1988, 53 F.R. 36775, eff. Jan. 1, 1989.]

1-308. Except to the extent heretofore delegated, the functions vested in the President pursuant to subchapter II of Chapter 2 of Title I of the Panama Canal Act of 1979 (93 Stat. 463) [22 U.S.C. 3651 et seq.] are hereby delegated to the Secretary of Defense.

#### 1-4. OTHER AGENCIES

1-401. The functions vested in the President by Sections 1111 and 3301 of the Panama Canal Act of 1979 (93 Stat. 459 and 497; 22 U.S.C. 3621 and 3871), are delegated to the Secretary of State. The Secretary shall perform these functions in coordination with the Secretary of Defense.

1-402. The functions vested in the President by Sections 1112(d), 1344(b), and 1504(b) of the Panama Canal Act of 1979 (93 Stat. 460, 484, and 488; 22 U.S.C. 3622(d), 3754(b), and 3784(b)) are delegated to the Secretary of State.

1-403. The functions vested in the President by Section 1243(a)(1) of the Panama Canal Act of 1979 (93 Stat. 473; 22 U.S.C. 3681(a)(1)) are delegated to the Director of the Office of Personnel Management.

1-404. Paragraphs (22) and (23) of Section 1 of Executive Order No. 11609, as amended [set out as a note under section 301 of Title 3, The President], and Executive Order No. 11713 are revoked.

JIMMY CARTER.

### § 3602. Definitions

#### (a) References to Panama Canal Treaty of 1977 and related agreements

For purposes of this chapter—

(1) references to the Panama Canal Treaty of 1977 refer to the Panama Canal Treaty between the United States of America and the Republic of Panama, signed September 7, 1977; and

(2) references to the Panama Canal Treaty of 1977 and related agreements refer to the Panama Canal Treaty of 1977, the agreements relating to and implementing that Treaty, signed September 7, 1977, and the Agreement Between the United States of America and the Republic of Panama Concerning Air Traffic Control and Related Services, concluded January 8, 1979.

#### (b) Definitions

Subject to the provisions of subsection (c) of this section, for purposes of applying laws of the United States and regulations issued pursuant to such laws with respect to transactions, occurrences, or status on or after October 1, 1979—

(1) “Canal Zone” shall be deemed to refer to the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements;

(2) “Canal Zone waters” and “waters of the Canal Zone” shall be deemed to refer to “Panama Canal waters” and “waters of the Panama Canal”, respectively;

(3) “Government of the Canal Zone” or “Canal Zone Government” shall be deemed to refer to the United States of America;

(4) “Governor of the Canal Zone” or “Governor”, wherever the reference is to the Governor of the Canal Zone, shall be deemed to refer to the Panama Canal Commission; and

(5) “Panama Canal Company” or “Company”, wherever the reference is to the Panama Canal Company, shall be deemed to refer to the Panama Canal Commission.

#### (c) Applicability of subsection (b)

Any reference set forth in subsection (b) of this section shall apply except as otherwise provided in this chapter or unless (1) such reference is inconsistent with the provisions of this chapter, (2) in the context in which a term is used such reference is clearly not intended, or (3) a term refers to a time before October 1, 1979.

#### (d) Definitions relating to Canal transition

For purposes of this chapter:

(1) The term “Canal Transfer Date” means December 31, 1999, such date being the date specified in the Panama Canal Treaty of 1977 for the transfer of the Panama Canal from the United States of America to the Republic of Panama.

(2) The term “Panama Canal Authority” means the entity created by the Republic of Panama to succeed the Panama Canal Commission as of the Canal Transfer Date.

(Pub. L. 96-70, § 3, Sept. 27, 1979, 93 Stat. 455; Pub. L. 104-201, div. C, title XXXV, §§ 3522, 3548(c)(1), Sept. 23, 1996, 110 Stat. 2860, 2869; Pub. L. 105-85, div. C, title XXXV, §§ 3512, 3550(d)(1), (2)(A), Nov. 18, 1997, 111 Stat. 2063, 2074.)

### Editorial Notes

#### REFERENCES IN TEXT

This chapter, referred to in subsecs. (a), (c), and (d), was in the original “this Act”, meaning Pub. L. 96-70, Sept. 27, 1979, 93 Stat. 452, known as the Panama Canal Act of 1979, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

#### AMENDMENTS

1997—Subsec. (b). Pub. L. 105-85, § 3550(d)(2)(A), substituted “October 1, 1979” for “the effective date of this Act”.

Pub. L. 105-85, § 3550(d)(1), substituted “laws of the United States and regulations issued pursuant to such laws” for “the Canal Zone Code or other laws of the United States and regulations issued pursuant to such Code or other laws” in introductory provisions.

Subsec. (c). Pub. L. 105-85, § 3550(d)(2)(A), substituted “October 1, 1979” for “the effective date of this Act”.

Subsec. (d). Pub. L. 105-85, § 3512, added subsec. (d).

1996—Pub. L. 104-201, § 3548(c)(1), struck out “and recommendation for legislation” after “Definitions” in section catchline.

Subsec. (b)(4) to (7). Pub. L. 104-201, § 3522(1), inserted “and” at end of par. (4), substituted a period for semicolon at end of par. (5), and struck out pars. (6) and (7) which read as follows:

“(6) in chapter 57 of title 5 of the Canal Zone Code, ‘hospitals’ and ‘Health Bureau’ shall be deemed to refer, respectively, to the hospitals operated by the United States in the Republic of Panama, and to the organizational unit operating such hospitals; and

“(7) in chapter 57 of title 5 of the Canal Zone Code, in section 4784 of title 6 of such Code, and in section 2 of title 7 of such Code, ‘health director’ shall be deemed to refer to the senior official in charge of the hospitals operated by the United States in the Republic of Panama.”

Subsec. (d). Pub. L. 104-201, § 3522(2), struck out subsec. (d) which read as follows: “The President shall,