

(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.)

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.

REFERENCES TO CANAL ZONE CODE DEEMED  
REFERENCES TO PANAMA CANAL CODE

Section 3303(b) of Pub. L. 96-70 provided that: “Those provisions of the Canal Zone Code not repealed by this Act are redesignated as the ‘Panama Canal Code’. Any reference to the Canal Zone Code in those laws and regulations referred to in section 3(b) of this Act [subsec. (b) of this section] shall, subject to the provisions of such section, be deemed to refer to the [former] Panama Canal Code.”

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, within two years after October 1, 1979, submit to the Congress a request for legislation which would—

“(1) amend or repeal provisions of law which in their present form are applicable only during the transition period prescribed in Article XI of that Treaty,

“(2) repeal the Canal Zone Code, and

“(3) contain provisions considered necessary and appropriate in light of the experience as of that time under that Treaty.”

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 5 sections 5595, 5721, 8102; title 8 section 1101.

SUBCHAPTER I—ADMINISTRATION AND  
REGULATIONS

PART 1—PANAMA CANAL COMMISSION

**§ 3611. Establishment, purposes, offices, and residence of Commission**

(a) For the purposes of managing, operating, and maintaining the Panama Canal and its complementary works, installations and equipment, and of conducting operations incident thereto, and in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission (hereinafter in this chapter referred to as the “Commission”) is established as a wholly owned government corporation (as that term is used in chapter 91 of title 31) within the executive branch of the Government of the United States. The authority of the President with respect to the Commission shall be exercised through the Secretary of Defense.

(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish branch offices in such other places as it considers necessary or appropriate for the conduct of its business. Within the meaning of the laws of the United States relating to venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia and the eastern judicial district of Louisiana.

(Pub. L. 96-70, title I, § 1101, Sept. 27, 1979, 93 Stat. 456; Pub. L. 104-106, div. C, title XXXV, § 3522(a), Feb. 10, 1996, 110 Stat. 638.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), 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

1996—Pub. L. 104–106 amended section generally. Prior to amendment, section read as follows: “There is established in the executive branch of the United States Government an agency to be known as the Panama Canal Commission (hereinafter in this chapter referred to as the ‘Commission’). The Commission shall, under the general supervision of the Board established by section 3612 of this title, be responsible for the maintenance and operation of the Panama Canal and the facilities and appurtenances related thereto. The authority of the President with respect to the Commission shall be exercised through the Secretary of Defense.”

#### RECOMMENDATIONS BY PRESIDENT ON CHANGES TO PANAMA CANAL COMMISSION STRUCTURE

Pub. L. 102–484, div. C, title XXXV, §3522, Oct. 23, 1992, 106 Stat. 2657, provided that:

“(a) REPORT.—The President shall conduct a study and, if warranted, develop a plan setting forth recommendations for such changes, if any, to the Panama Canal Commission for the operation of the Panama Canal during the period before the termination of the Panama Canal Treaty of 1977 as the President determines would facilitate and encourage the operation of the canal through an autonomous entity under the Government of Panama after the transfer of the canal on December 31, 1999, pursuant to the Panama Canal Treaty of 1977 and related agreements. The President shall submit the study and, if warranted, plan to Congress, together with a legislative proposal containing any changes to existing law required to implement the plan, not later than one year after the date of the enactment of this Act [Oct. 23, 1992].

“(b) PREPARATION OF PLAN.—Recommendations to the President for purposes of the study and plan required by subsection (a) shall be prepared with the participation of a representative of each of the following:

- “(1) The Secretary of State.
- “(2) The Secretary of Defense.
- “(3) The Secretary of the Treasury.
- “(4) The Secretary of Commerce.
- “(5) The Secretary of Transportation.
- “(6) The Panama Canal Commission.

“(c) PLAN TO BE CONSISTENT WITH PANAMA CANAL TREATY.—The study and, if warranted, plan submitted by the President pursuant to subsection (a) shall be consistent with the Panama Canal Treaty of 1977 and related agreements.”

#### REPORT BY COMPTROLLER GENERAL ON CHANGES TO PANAMA CANAL COMMISSION STRUCTURE

Pub. L. 102–484, div. C, title XXXV, §3523, Oct. 23, 1992, 106 Stat. 2658, provided that:

“(a) REPORT.—The Comptroller General shall submit to Congress a report analyzing the effectiveness of the fiscal, operational, and management structure of the Panama Canal Commission and setting forth recommendations for such changes to that structure as the Comptroller General determines would, if implemented, enable the Commission to operate more efficiently and, thereby, serve as a model for the Government of Panama for the operation of the Panama Canal after the transfer of the Panama Canal on December 31, 1999, pursuant to the Panama Canal Treaty of 1977 and related agreements. The Comptroller General shall submit the report to Congress not later than one year after the date of the enactment of this Act [Oct. 23, 1992].

“(b) PREPARATION OF REPORT.—In developing the report required by subsection (a), the Comptroller General shall seek the views of each of the following:

- “(1) The Secretary of State.
- “(2) The Secretary of Defense.

“(3) The Secretary of the Treasury.

“(4) The Secretary of Commerce.

“(5) The Secretary of Transportation.

“(6) The Panama Canal Commission.

“(c) REPORT TO BE CONSISTENT WITH PANAMA CANAL TREATY.—The recommendations in the report submitted by the Comptroller General pursuant to subsection (a) shall be consistent with the Panama Canal Treaty of 1977 and related agreements.”

### § 3612. Supervisory Board

#### (a) Composition of Board

The Commission shall be supervised by a Board composed of nine members, one of whom shall be an officer of the Department of Defense. The officer of the Department of Defense who shall serve on the Board shall be designated by the Secretary of Defense and may continue to serve on the Board only while continuing to serve as an officer of the Department of Defense. Not less than five members of the Board shall be nationals of the United States and the remaining members of the Board shall be nationals of the Republic of Panama. Three members of the Board who are nationals of the United States shall hold no other office in, and shall not be employed by, the Government of the United States, and shall be chosen for the independent perspective they can bring to the Commission's affairs. Members of the Board who are nationals of the United States shall cast their votes as directed by the the<sup>1</sup> officer of the Department of Defense designated by the Secretary of Defense to be a member of the Board.

#### (b) Membership of Board; appointing authority; compensation and travel expenses; compensation for non-Government Board members

The President shall appoint the members of the Board. The members of the Board who are United States nationals shall be appointed by and with the advice and consent of the Senate. Each member of the Board shall hold office at the pleasure of the President and, before assuming the duties of such office, shall take an oath to discharge faithfully the duties of his office. Members of the Board shall serve without compensation but shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, in accordance with section 3617 of this title, except that, in addition to such travel or transportation expenses, members of the Board who hold no other office with either the Government of the United States or the Republic of Panama for which they receive pay are authorized to be compensated at the daily equivalent of the annual rate of basic pay in effect for level V of the Executive Schedule under section 5316 of title 5, for each day during which they are traveling to or from or attending meetings of the Board as provided in subsection (c) of this section or, as authorized by the Chairman of the Board, while on official Panama Canal Commission business.

#### (c) Meetings; quorum; proxies

The Board shall hold meetings as provided in regulations adopted by the Commission and approved by the Secretary of Defense. A quorum

<sup>1</sup> So in original.