

## 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 Article 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.)

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.”

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, 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.)