

PANAMA CANAL TREATY

July 10, 1977

Translation into English of  
Spanish-Language Treaty Text

The Republic of Panama and the United States of America:

Recognizing their important mutual interest in the continuous effective operation of the Panama Canal for the benefit of international commerce;

Wishing to strengthen the ties of friendship and cooperation which have historically existed between them;

Having decided to improve their relationship with respect to the operation, maintenance, protection and defense of the Panama Canal and to eliminate, once and for all, those aspects of the prior relationship which have been a cause of conflict between them; and

Acting in the spirit of the Joint Declaration of Principles initialed by the Foreign Minister of the Republic of Panama and the Secretary of State of the United States on February 7, 1974;

Have decided to create a new treaty to serve as a basis for a new relationship between them, in order to achieve these common objectives and have agreed upon the following:

ARTICLE I

ESTABLISHMENT OF A NEW RELATIONSHIP

1. At the moment of its entry into force, this Treaty cancels and serves as substitute for the Convention between the Republic of Panama and the United States of America, signed in Washington, November 18, 1903 and those treaties and related agreements stipulated in Annex A of this Treaty.
2. In accordance with the terms of this Treaty and related agreements, the Republic of Panama, as territorial sovereign, grants to the United States of America, for the duration of this Treaty, the rights necessary to regulate the transit of ships through the Panama Canal, and to manage, operate, maintain, improve, protect and defend the Canal. The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas necessary for these purposes. The Republic of Panama shall participate increasingly in the management and protection and defense of the Canal, as provided in this Treaty.
3. The Republic of Panama and the United States of America shall cooperate to assure the uninterrupted and efficient operation of the Panama Canal for the benefit of international commerce.

ARTICLE II

PROTECTION AND DEFENSE

1. The Republic of Panama and the United States of America commit themselves to protect and defend the Panama Canal, in the manner stipulated later in these documents. Each Party shall act in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it.
2. For the duration of this Treaty, the United States of America shall have the primary responsibility to protect and defend the Canal. For this purpose, the Republic of Panama confers on the United States of America the rights to station, train, and move military forces within its territory and to use areas and installations located within it. Said areas and installations are specified in the Agreement in implementation of this Article, signed this date. The use of these areas and installations and the legal regime applicable to the armed forces of the United States of America in the Republic of Panama shall be regulated by the aforesaid agreement.
3. In order to facilitate the participation and cooperation of the forces of both Parties in the protection and defense of the Canal, the Republic of Panama and the United States of America shall establish a Combined Board comprised of senior military representatives who shall have equal standing. These representatives shall be charged by their respective

governments with consulting and cooperating on all matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose. Such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the armed forces of the Republic of Panama or the United States of America. The Combined Board, inter alia, shall provide for coordination and cooperation with respect to:

(a) the preparation of emergency plans for the protection and defense of the Canal based upon the cooperative efforts of the armed forces of both Parties;

(b) the planning and conduct of combined military exercises; and

(c) the conduct of Panamanian and United States military operations with respect to the protection and defense of the Canal. The Combined Board shall, at five-year intervals throughout the duration of this Treaty, review the resources being made available by the two Parties for the protection and defense of the Canal, and shall make appropriate recommendations to the two governments respecting projected requirements, the efficient utilization of available resources of the two Parties, and other matters of mutual interest with respect to the protection and defense of the Canal.

### ARTICLE III

#### OPERATION AND MANAGEMENT OF THE CANAL

1. The United States of America undertakes to manage, operate and maintain the Panama Canal, its works, installations and auxiliary equipment, and to facilitate the transit of ships.

2. The Republic of Panama, as territorial sovereign, confers on the United States of America the corresponding rights necessary to fulfill these responsibilities, including the rights to:

(a) use for these purposes, at no cost, the various installations and areas (including the Panama Canal) and waters, as specified in the Agreement in implementation of this Article, signed this date, as well as such other areas and installations as are made available to the United States of America under this Treaty and related agreements, and take the measures necessary to ensure sanitation of such areas;

(b) make such improvements and alterations to the aforesaid installations and areas as it deems appropriate, consistent with the terms of this Treaty;

(c) make and enforce all rules pertaining to the passage of vessels through the Canal and other rules with respect to navigation and maritime matters, in accordance with this Treaty and related agreements;

(d) establish, modify, collect and retain tolls for the use of the Panama Canal, and other charges, and establish and modify methods of their assessment;

(e) regulate relations with employees of the United States Government;

(f) provide supporting services to facilitate the performance of its responsibilities under this Article;

(g) issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related agreements; and

(h) exercise any other right granted under this Treaty, or otherwise agreed upon between the two Parties.

3. Pursuant to the foregoing concession of rights, the United States of America shall, in accordance with the provisions of United States Law and the terms of this Treaty, carry out the responsibilities stipulated in paragraph 1 of this Article by means of an agency (hereinafter referred to as the "Administration of the Panama Canal") which shall be constituted by and in conformity with the laws of the United States of America. The agencies of the government of the United States of America known as the Panama Canal Company and the Canal Zone Government shall cease to operate within the territory of the Republic of Panama, including the areas which formerly constituted the Canal Zone, upon the entry into force of this Treaty.

(a) The Panama Canal Administration will be under the supervision of a Board composed of nine members, five of whom shall be nationals of the United States of America and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America.

(b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such request. In that event, the Republic of Panama shall propose another Panamanian national for appointment by the United States of America to such position. In case of removal of a Panamanian member of the Board of Directors at the initiative of the United States of America, both parties will consult in advance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

(c) The United States of America shall employ a national of the United States of America as Administrator of the Panama Canal Administration, and a Panamanian national as Deputy Administrator, through December 31, 1989. Beginning January 1, 1990, a Panamanian national shall be employed as the Administrator and a national of the United States of America shall occupy the position of Deputy Administrator. Such Panamanian nationals shall be proposed to the government of the United States of America by the Republic

of Panama for appointment to such position by the United States of America.

(d) Should the United States of America remove the Panamanian national from his position as Deputy Administrator, or Administrator, the Republic of Panama shall propose another Panamanian national for appointment to such position by the government of the United States of America.

4. The procedures for the discontinuance or transfer or those activities performed prior to the entry into force of this Treaty by the Panama Canal Company or the Canal Zone Government which are not to be carried out by the Panama Canal Administration, are set forth in Annex B.

5. The Republic of Panama and the United States of America shall establish a Panama Canal Consultative Committee, composed of an equal number of high-level representatives of the Republic of Panama and the United States of America, and which may appoint such subcommittees as it may deem appropriate. This Committee shall advise the Republic of Panama and the United States of America on matters of policy affecting the Canal's operation. In view of both Parties' special interest in the continuity and efficiency of the Canal operation in the future, the Committee shall advise on matters such as general tolls policy, employment and training policies to increase the participation of Panamanian national in the operation of the Canal, and international policies on matters concerning the Canal. The Committee's recommendations shall be transmitted to the two Governments, which shall give such recommendations full consideration in the formulation of such policy decisions.

6. In addition to the participation of Panamanian nationals at high management levels, as provided for in paragraph 3 of this Article, there shall be growing participation of Panamanian nationals at all other levels and areas of employment in the Panama Canal Administration, with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the expiration of the Treaty.

7. The use of the installations, areas and waters with respect to which the United States of America is granted rights pursuant to this Article, the regimes applicable to the ports of Balboa and Cristobal and the Panama Canal Railroad, and the rights and legal status of the United States Government agencies and employees, operating in the Republic of Panama pursuant to this Article, shall be governed by the Agreement in implementation of this Article, signed this date.

#### ARTICLE IV

##### PROTECTION OF THE ENVIRONMENT

The Republic of Panama and the United States of America commit themselves to implement this Treaty in a manner consistent with the protection of the natural environment of the Republic of Panama. To this end, they shall

consult and cooperate with each other in all appropriate ways to ensure that they shall give due regard to environmental considerations.

2. A Joint Commission on the Environment shall be established with equal representation from the Republic of Panama and the United States of America, which shall periodically review the implementation of this Treaty and shall recommend as appropriate to the two Governments ways to mitigate the adverse environmental impacts which might result from their respective actions pursuant to the Treaty.

3. The Republic of Panama and the United States of America shall furnish the Joint Commission on the Environment complete information on any action taken in accordance with this Treaty which, in the judgement of both, might have a significant effect on the environment. Such information shall be made available as far in advance as possible to facilitate the study by the Commission of any potential environmental problems and to allow for consideration of the recommendation of the Commission before the contemplated action is carried out.

#### ARTICLE V

##### PRIVILEGES AND IMMUNITIES

1. The installations owned or used by the agencies or instrumentalities of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements, and their official archives and documents, shall be inviolable.

2. Agencies and instrumentalities of the Government of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements shall be immune from the jurisdiction of the Republic of Panama in all matters.

3. In addition to such other privileges and immunities as are afforded to the employees of the United States Government and their dependents pursuant to this Treaty, the United States of America may designate up to 75 officials of the Panama Canal Administration, who along with their dependents, shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States of America shall furnish to the Republic of Panama a list of the names of said officials and their dependents, identifying the positions they occupy in the Government of the United States of America, and shall keep such list current at all times.

#### ARTICLE VI

##### LAWS, EXECUTION OF LAWS, AND JUDICIAL MATTERS

1. The laws of the Republic of Panama shall apply in all its territory, including the areas made available for the use of the United States of America pursuant to this Treaty in accordance with the provisions of this treaty and related agencies. Nevertheless, the laws of the Republic of Panama shall not be applied to matters or events which occurred in

the former Canal Zone prior to the entry into force of this Treaty.

2. The rights of ownership, as recognized by the United States of America, enjoyed by natural or juridical private persons with respect to buildings and other improvements to real property located in the former Canal Zone shall be recognized by the Republic of Panama in conformity with its laws. If such properties are located within the areas subject to licencing procedures in connection with the use of the land, established in accordance with this Treaty and related agreements, the two Governments agree that licences shall be issued to such persons so they may continue the present use of the land on which their property is located. With regard to the areas in the former Canal Zone to which the aforesaid procedures are not applicable, or may cease to be applicable during the life of this Treaty or upon its termination, the Republic of Panama, at any time during the five years following the entry into force of this Treaty, or, if later, the date on which the aforesaid licencing procedure ceases to be applicable, shall permit such persons to acquire the lands on which their buildings or improvements are located. The acquisition price shall be reasonable and, except as otherwise agreed by the two Governments, shall not exceed \$500 an acre. During this five year period, the Republic of Panama shall permit such persons to continue using such lands at a cost not to exceed that which was in effect immediately before that period.

3. The Republic of Panama shall permit natural or juridical persons who, on the date of entry into force of this Treaty are engaged in business or non-profit activities at locations in the former Canal Zone, to continue such business or activities at those locations. To this end, the Republic of Panama shall issue them without delay all the licences and authorizations which may be required in accordance with Panamanian law. If, subsequently, the Republic of Panama should require such persons to end their activities or vacate their properties for public purposes, the Republic of Panama will grant them compensation commensurate to an equitable market price.

4. The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation, or international agreement which purports to regulate or would otherwise interfere with the exercise on the part of the United States of any right granted under this Treaty or related agreements.

5. Vessels transiting the Canal, and cargo, passengers and crews carried on such vessels shall be exempt from any taxes, fees, or other charges by the Republic of Panama. However, in the event such vessels call at a Panamanian port, they may be assessed charges incident thereto, such as charges for services provided to the vessel. The Republic of Panama may also require the passengers and crew disembarking from such vessels to pay such taxes, fees and charges as are established under Panamanian law for persons entering its territory. Such taxes, fees and charges shall be assessed on a nondiscriminatory basis.

6. The Republic of Panama and the United States of America will cooperate in taking such steps as may from time to time be necessary to guarantee the security of the Panama Canal Administration, its employees and their dependents, and their property, the Forces of the United States of America and the members thereof, the civilian component of the United



States Forces, the dependents of members of the Forces and the civilian component, and their property, and the contractors of the Panama Canal Administration and of the United States Forces, their dependents, and their property. The Republic of Panama will adopt such legislation as may be needed to carry out the foregoing purposes and to punish any offenders.

## ARTICLE VII

### TRANSITION ARTICLE

1. In order to provide for an orderly transition to the full application of the jurisdictional arrangements established by this Treaty and related agreements, the provisions of this Article shall become applicable upon the date this Treaty enters into force, and shall remain in effect for thirty calendar months. The authority granted in this Article to the United States of America for this transition period shall supplement, and is not intended to limit, the full application and effect of the rights and authority granted to the United States of America elsewhere in this Treaty and in related agreements.
2. During this transition period, the criminal laws of the United States of America shall apply concurrently with those of the Republic of Panama in certain of the areas and installations made available for the use of the United States of America pursuant to this Treaty, in accordance with the following provisions:
  - (a) The Republic of Panama permits the authorities of the United States of America to have the primary right to exercise criminal jurisdiction over United States citizen employees of the Panama Canal Administration and their dependents, and members of the United States Forces and civilian component and their dependents, in the following cases:
    - (i) for any offense committed during the transition period within such areas and installations, and
    - (ii) for any offense committed prior to that period in the former Canal Zone. The Republic of Panama shall have the primary right to exercise jurisdiction over all other offenses committed by such persons, except as otherwise provided in this Treaty and related agreements or as may be otherwise agreed.
  - (b) Either Government may waive its primary right to exercise jurisdiction in a specific case or category of cases.
3. The United States of America shall retain the right to exercise jurisdiction in criminal cases relating to offenses committed prior to the entry into force of this Treaty in violation of the laws applicable in the former Canal Zone.
4. For the transition period, the United States of America shall retain police authority and maintain a police force in the aforementioned areas

and installations. In such areas, the police authorities of the United States of America may take into custody any person not subject to their primary jurisdiction if such person is believed to have committed or to be committing an offense against applicable laws or regulations, and shall promptly transfer custody to the police authorities of the Republic of Panama. The Republic of Panama and the United States of America shall establish joint police patrols in agreed areas. Any arrests conducted by a joint patrol shall be the responsibility of the patrol member or members representing the Government having primary jurisdiction over the person or persons arrested.

5. The courts of the United States of America and related personnel, functioning in the former Canal Zone immediately prior to the entry into force of this Treaty, may continue to function during the transition period for the judicial enforcement of the jurisdiction retained by the United States of America.

6. In civil cases, the civilian courts of the United States of America in the Republic of Panama shall have no jurisdiction over new cases of a private civil nature, but shall retain full jurisdiction to dispose of any civil cases, including admiralty cases, already instituted and pending before the courts prior to the entry into force of this Treaty.

7. The laws, regulations, and administrative authority of the United States of America applicable in the former Canal Zone immediately prior to the entry into force of this Treaty shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of the exercise by the United States of America of law enforcement and judicial jurisdiction during the transition period. The United States of America may amend, repeal or otherwise change such laws, regulations and administrative authority. The two Parties shall consult concerning procedural and substantive matters relative to the implementation of this Article, including the disposition of cases pending at the end of the transition period and, in this respect, may enter into appropriate agreements.

8. During this transition period, the United States of America may continue to incarcerate individuals in the Republic of Panama or transfer them to penal installations in the United States of America to serve their sentences. The Parties shall conclude an agreement whereby nationals of either State, who are sentenced by the courts of the other State, may elect to serve their sentences in the installations located in their country of origin.

#### MINUTE ADOPTED IN RELATION TO ARTICLE VII

With reference to paragraph 2 of Article VII of the Panama Canal Treaty, the areas and installations to which the jurisdictional arrangements described in it are applicable are as follows:

(a) The Canal operational areas and the housing areas described in Annex A of the Agreement in implementation of Article III of the Panama Canal Treaty.

(b) the Defense Sites and the Military Coordination Areas described in the Agreement in implementation of Article III of the Panama Canal Treaty.

(c) The Ports of Balboa and Cristobal.

With reference to paragraph 3 of Article VII, the areas in which during the transition period the police authorities of the Republic of Panama may carry out police patrols jointly with the police authorities of the United States are the following:

(a) Those portions of the Canal operational areas which are open to the public at large, the housing areas and the Ports of Balboa and Cristobal.

(b) Those areas of military coordination in which joint police patrols are established in accordance with the provisions of the Agreement in implementation of Article II of this Treaty, signed this date. The police authorities of the two Parties shall formulate appropriate administrative arrangements to plan and carry out such joint police patrols.

ARTICLE VIII

ECONOMIC ARRANGEMENTS

1. The United States of America transfers, without charge, to the Republic of Panama all right, title and interest the United States of America may have with respect to all real property, including non-removable improvements thereon, as set forth below:

(a) Upon the entry into force of this Treaty, such property that was located in the former Canal Zone but that is not within the land and water areas the use of which is made available to the United States of America pursuant to this Treaty. However, it is agreed that the transfer on such date shall not include buildings and other facilities, except housing, the use of which is retained by the United States of America pursuant to this Treaty and related agreements, outside such areas;

(b) Such property located in an area or a portion thereof at such time as the use by the United States of America of such area or portion thereof ceases pursuant to agreement between the two Parties;

(c) Upon termination of this Treaty, all such property and equipment remaining in the Republic of Panama, which had been used by the United States of America for the purposes of this Treaty and related agreements.

2. The Republic of Panama agrees to hold the United States of America harmless with respect to any claim which may be made by third parties relating to rights, title and interest in such property.

3. Upon termination of this Treaty, the Republic of Panama shall assume total responsibility for the management, operation, and maintenance of the Panama Canal, which shall be turned over in operating condition and free of liens and debts, except as the two Parties may otherwise agree.

4. In addition, the Republic of Panama shall receive a just and equitable return on its national resources which it had dedicated to the efficient management, operation, maintenance, protection and defense of the Panama Canal, in accordance with the following formula:

ARTICLE IX

CONSTRUCTION OF A THIRD LANE OF LOCKS OR A SEA-LEVEL CANAL

1. During the life of this Treaty no new interoceanic canal will be built in the territory of the Republic of Panama, except in accordance with the provisions of this article, or as otherwise agreed by the two governments.
2. During a period of fifteen years from the date of entry into force of this treaty, the United States of America will have the right to undertake the construction within the territory of the Republic of Panama of a sea level canal. If the United States should undertake such construction, the work shall be finished within a period of fifteen years from the date of its start, except to the extent that delays may occur through factors outside the control of the United States of America. Nevertheless, under no circumstances will the construction continue beyond the date of termination of this treaty without the consent of the Republic of Panama.
3. In the case that the United States of America should decide to undertake the construction of a sea level canal, the Republic of Panama will put at its disposal, free of charge, the additional land and water areas necessary for this end, under the terms and conditions which are to be agreed upon by the two governments.
4. At any time during the life of this Treaty, the United States of America will have the right to add a third lane of locks to the existing Panama Canal.
5. In the case that the United States of America should decide to add a third lane of locks to the existing Canal, it may use for this purpose, in addition to the areas put at its disposal through another manner in accordance with this Treaty, the land and water areas described in Annex C of this treaty, and such other areas as the two governments may agree upon. The terms and conditions applicable to the Canal operational areas put at the disposal of the United States of America in accordance with Article III of this treaty will be applicable mutatis mutandis to such additional areas.
6. In the exercise of the aforementioned rights, the United States will not make use of nuclear techniques for excavation work without the consent of the Republic of Panama.

ARTICLE X

RATIFICATION, ENTRY INTO FORCE AND TERMINATION

1. This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Governments. The instruments of ratification of this Treaty shall be exchanged at the same time as the instruments of ratification of the Treaty Concerning the Permanent Neutrality and

Operation of the Panama Canal, signed this date. Both Treaties shall enter into force simultaneously six calendar months from the date of such exchange.

2. This Treaty shall end on December 31, 1999, provided that on December 31, 1998, or prior to that date, either of the Parties has notified the other of its intention to terminate this Treaty. If no such notification was made on December 31, 1998, or prior to that date, this Treaty will end a year after the date on which such notification is made. At such time as notification is given by either Party of its intention to terminate the Treaty, the Parties, without delay, will initiate consultations to consider the continuation of the arrangements between them regarding the Panama Canal which they consider convenient.

#### ANNEX A

##### TERMINATION OF EXISTING TREATIES AND INTERNATIONAL AGREEMENTS

1. The following treaties and other international agreements between the Republic of Panama and the United States of America are terminated and replaced by the present Treaty, in accordance with Article I of this Treaty.

(a) The Isthmian Canal Convention for the Construction of a Maritime Canal, signed in Washington, November 18, 1903.

(b) The Treaty of Friendship and Cooperation, signed in Washington, March 2, 1936.

(c) The Treaty of Mutual Understanding and Cooperation, and the Related Memorandum of Understandings Reached, signed in Panama, January 25, 1955.

(d) The Agreement establishing the boundary of the Canal Zone which is alluded to in Article II of the Inter-oceanic Canal Convention November 18, 1903, signed in Panama, September 2 1914.

(e) The Boundary Convention, signed in Panama, September 2, 1914.

(f) The Convention regarding the Colon Corridor and certain other corridors through the Canal Zone, signed in Panama, May 24, 1950.

(g) The Trans-Isthmian Highway Convention, signed in Washington on March 2, 1936, the Agreement which complements said Convention, reached through an exchange of notes signed in Washington on August 31 and September 6, 1940, and the Agreement between the Republic of Panama and the United States of America with respect to the Trans-Isthmian Joint Highway Board reached through an exchange of notes in Panama, on October 19 and 23, 1939.

(h) The Highway Convention between the Republic of Panama and the United States of America, signed in Panama on September 14, 1950.

(i) The Convention regulating the transit of alcoholic beverages through the territory of the Canal Zone, signed in Panama on March 14, 1932.

(j) The Protocol of an Agreement restricting the use of the waters of Panama and the Canal Zone by belligerents, signed in Washington, October 10, 1914.

(k) The Agreement for the Reciprocal Recognition of automobile licence plates in the Republic of Panama and the Canal Zone, established through an exchange of notes in Panama on December 7 and 12, 1950, and the Agreement establishing procedures for the reciprocal recognition of automobile drivers' licences in the Canal Zone and the Republic of Panama, established through an exchange of notes in Panama on October 31, 1960.

(l) The General Relations Agreement established through an exchange of notes in Washington on May 18, 1942.

2. All other treaties or agreements between the Republic of Panama and the United States of America which refer to the Canal Zone or any agency, entity or employee of the Government of the United States of America operating in the former Canal Zone shall be applicable, mutatis mutandis, to the areas and installations put at the disposal of the United States of America for its use in accordance with this Treaty, and all agencies, entities or employees of the Government of the United States of America carrying out the service or function provided for under such treaty or accord.

#### ANNEX B

##### PROCEDURES FOR THE CESSATION OR TRANSFER OF ACTIVITIES CARRIED OUT BY THE PANAMA CANAL COMPANY OR THE CANAL ZONE GOVERNMENT

1. The Panama Canal Administration shall not perform governmental or commercial functions as stipulated in paragraph 2 of this Annex, provided, however, that this shall not be deemed to limit in any way the right of the United States of America to perform those functions that may be necessary for the efficient management, operation and maintenance of the Canal.

2. The following activities and operations carried out by the Panama Canal Company and the Canal Zone Government shall not be carried out by the Panama Canal Administration, effective upon the dates indicated herein:

(a) Upon the date of entry into force of this Treaty:

(i) Wholesale and retail sales, including those through commissaries, food stores, department stores, optical shops and pastry shops;

(ii) Installations for the production of food and drink, including milk products and bakery products;

(iii) Public restaurants and cafeterias and the sale of articles through vending machines;

(iv) Movie theaters, bowling alleys, and other recreational and amusement facilities for the use of which a charge is payable;

(v) The operation of laundry and dry cleaning plants other than those operated for official use;

(vi) Installations for the repair and service of privately owned automobiles or the sale of petroleum or lubricants thereto, including the operation of gasoline stations, repair garages and tire repair and recapping facilities, and the repair and service of other privately owned property, including appliances, electronic devices, boats, motors and furniture;

(vii) Cold storage and freezer plants other than those operated for official use;

(viii) Freight houses other than those operated for official use;

(ix) Commercial services to and supply of privately owned and operated vessels, including the construction of vessels, the sale of petroleum and lubricants and the provision of water, tug services not related to the Canal or other United States Government operations, and repair of such vessels, except in situations where repairs may be necessary to remove disabled vessels from the Canal;

(x) Printing services other than for official use;

(xi) Maritime transportation for the use of the general public;

(xii) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services;

(xiii) Educational services provided to individuals, including schools and libraries;

(xiv) Postal services;

(xv) Immigration, customs and quarantine controls, except those measures necessary to ensure the sanitation of the Canal;

(b) Within thirty calendar months from the date of entry into force of this Treaty:

(i) Police;

(ii) Courts; and

(iii) Prison system

3. With respect to those activities or functions described in paragraph 2 above, or otherwise agreed upon by the two Parties, which are to be assumed by the Government of the Republic of Panama or by private persons subject to its authority, the two Parties shall consult prior to the discontinuance