

IMPORTANT NOTICE:

Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.

**Agreement No. 310
(of June 29, 2017)**

“Whereby the Regulation on Navigation in Panama Canal Waters is amended”

**THE BOARD OF DIRECTORS
OF THE PANAMA CANAL AUTHORITY**

WHEREAS:

Article 18.5.e. of Law 19 of June 11, 1997 (Organic Law), established that the Board of Directors of the Panama Canal Authority (the Authority) is responsible for the approval of the regulations applicable to the admeasurement and inspection of vessels, Canal navigation, marine traffic control, vessel pilotage, and other matters relative to Canal navigation.

In exercising this authority, the Board of Directors approved the Regulation on Navigation in Panama Canal Waters, through Agreement No. 13 of June 3, 1999, as well as its subsequent amendments.

That the Administration has identified that it is necessary to modify the aforementioned Regulation regarding the exemptions from compulsory pilotage in Canal waters, in order to formalize the practice applied since the administration of the Canal under the Panama Canal Commission to exemptions from compulsory pilotage to private tugboats at the sea entrances of the Miraflores and Gatun Locks.

The Administration notes that the current regulation regarding the exemption from compulsory pilotage limits this exemption to the port areas, which is not consistent with the regulation applied to the Canal under the United States administration, nor with the current practice followed in operation of the Canal. For this reason, it is considered appropriate to formalize the practice maintained through the proposed amendment to the Regulation.

That the modification proposed by the Administration seeks to allow the operation of vessels or small craft that may be exempted from compulsory pilotage in the following areas of the Canal waters:

1. Navigational access channels to the ports.
2. Ports and dock basins.
3. Navigational access channels to the sea entrances of the Cocoli, Agua Clara,

Miraflores, and Gatun Locks.

4. Outside the Canal navigational channels and anchorages.

Likewise, the Authority may continue granting exemptions from pilotage to the categories of vessels and small craft to which this exemption was previously granted.

That according to the above, the Administration proposes to modify the title of Section Two, Chapter V, Pilotage, as well as the text of Article 99 that refers to compulsory pilotage, in order that:

1. With respect to the title of Section Two, it is modified eliminating the phrase “in the ports”.
2. With regard to Article 99 related to the authority of the Administration to exempt certain vessels or small craft from compulsory pilotage and the area within which such exemption may be granted, it shall be modified for the following purposes:
 - a. To change the reference “in the ports” to “in Canal waters”.
 - b. Change the area of application of the pilotage exemption, so that instead of applying only to the ports, it applies to certain areas in Canal waters, with the exception of the Culebra Cut and the lock chambers.

That the Administration has informed that on February 22, 2017, the Executive Vice Presidency for Operations notified the Panama Canal Pilots Union (UPCP) and the Captains and Deck Officers Union (UCOC), the text of the proposed modification of Article 99 of the Regulation for Navigation in Canal Waters, pursuant to Numeral 8 of Article 97 of the Organic Law, which establishes that all exclusive representatives will have the right to participate in the drafting and modification of regulations that affect conditions of employment, whose approval corresponds to the Board of Directors, pursuant to the Political Constitution of the Republic of Panama.

That during the months of March, April, May and June of 2017, the Executive Vice Presidency for Operations and the Administration met with the exclusive representatives of the Pilot’s Bargaining Unit, the Captains and Deck Officers’ Bargaining Unit, the Marine Engineers’ Bargaining Unit, the Non-Professional Workers’ Bargaining Unit and the Firefighters’ Bargaining Unit, to present the modification proposal of the above-mentioned Article 99, drafted by the Administration and to listen to their comments in this regard.

That by virtue of the foregoing, the Administrator has submitted for the consideration of the Board of Directors this proposal to modify the Regulation on Navigation in Panama Canal Waters.

That the Board of Directors has examined the proposal submitted by the Administrator and considers it to be in the best interest of the Authority, and therefore considers the recommended modification to the Regulation on Navigation in Panama Canal Waters to be appropriate.

AGREES:

ARTICLE ONE: To modify the title of Section Two, Chapter V, Pilotage, as well as the Regulation on Navigation in Panama Canal Waters, to read as follows:

**“Section Two
Exemptions from compulsory pilotage”**

ARTICLE TWO: To modify Article 99 of the Regulation on Navigation in Panama Canal Waters, which will read as follows:

“**Article 99:** The Authority shall determine vessel and small craft categories that may be exempted from compulsory pilotage in the following areas of Canal waters:

1. Navigational access channels to the ports.
2. Ports and dock basins.
3. Navigational access channels to the sea entrances of the Cocoli, Agua Clara, Miraflores, and Gatun Locks.
4. Outside the Canal navigational channels and anchorages.

Likewise, the Authority may continue granting exemption from pilotage to vessels and small craft categories to which this exemption has been previously granted.”

ARTICLE THREE: Indicate that the Articles of the Regulation on Navigation in Panama Canal Waters that have not been modified by this Agreement, maintain their text and validity.

ARTICLE FOUR: This Agreement shall become effective upon its publication in the Canal Register.

Given in the City of Panama on the twenty-ninth (29) day of the month of June of the year two thousand seventeen (2017).

TO BE PUBLISHED AND ENFORCED

Roberto R. Roy
Chairman of the Board of Directors
Signed

Rossana Calvosa de Fabrega
Secretary
Signed