

**AGREEMENT No. 77  
(of April 20, 2004)**

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

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

**WHEREAS:**

The Board of Directors of the Panama Canal Authority approved the Regulation on Navigation in Panama Canal Waters by means of Agreement No. 13 of June 3, 1999.

The method for the preparation of this Regulation consisted, on the one hand, of the drafting of the text of the articles and, on the other hand, of the drafting of an Annex that develops the requirements and conditions for compliance with the provisions of said articles, with a direct reference to the number of the article being developed.

The Regulation on Navigation in Panama Canal Waters was revised by means of Agreement No. 51 of November 8, 2001, whereby Article 98 was added to Section One, Chapter V, Compulsory Pilotage, and Articles 99 and 100 of Section Two, Chapter V, Pilotage, were amended. However, in doing so, the numerical cross referencing of the respective articles of the Annex to the Regulation was omitted; therefore, adjustments are required to follow the system used in the preparation of this Regulation.

The current Article 99 of the Regulation on Navigation in Panama Canal Waters confers upon the Authority the power to determine the categories of vessels or small crafts that may be exempted from compulsory pilotage at the ports.

The current Article 99 of the Annex to the Regulation on Navigation in Panama Canal Waters, which shall become Article 100 upon making the aforementioned required adjustment to the numbering, establishes the requirements for the operation of pilot-exempted vessels, and requires the following amendments: delete any reference to the term “operator” in paragraph 1; add one paragraph empowering the Panama Canal Authority to revoke a pilotage exemption in the event of noncompliance with the provisions of the Article; and add a paragraph with regard to the notification of the above mentioned revocation, as well as the inclusion and definition of the term “operator.”

The Administrator of the Panama Canal Authority has submitted to the Board of Directors a draft Agreement containing the above-mentioned amendments.

**AGREES:**

**ARTICLE ONE:** Delete Article 99 from the Annex to Section Two, Chapter V, Pilotage, of the Regulation on Navigation in Panama Canal Waters.

**ARTICLE TWO:** Add Article 100 to the Annex to Section Two, Chapter V, Pilotage, of the Regulation on Navigation in Panama Canal Waters, which shall read as follows:

“**Article 100.** For the purposes of navigation in Panama Canal waters, pilot-exempted vessels shall comply with the following conditions:

1. ***Licensed Master Duly Certified by the Panama Canal Authority:*** Masters shall hold a license to operate these vessels, issued by the appropriate authorities of the Republic of Panama, and certified by the Board of Inspectors of the Authority. This certification shall be valid for one year and may be renewed if renewal is requested one month prior to its expiration; it shall be kept on board, and presented upon request.

In addition, local small crafts are required to purchase at their own expense the “Panama Canal Waters Technical Operations Manual”, which shall be kept on board.

2. ***Permission to Move:*** Vessels shall obtain permission from the Authority prior to any movement in or out of the harbor, including arrival or departure, or when shifting berths. They shall follow instructions, and maintain a watch on VHF channel 12 (156.000 MHz) to receive any further instructions while maneuvering.
3. ***Crossing Canal Channel:*** The vessel shall establish communications on Channel 12 with the appropriate communications station, and maintain watch throughout crossing.
4. ***Harbor Movements or Movements not Involving the Canal Channel:*** In these instances, the vessel shall establish communications on Channel 12 with the appropriate communications station, and shall maintain watch throughout all its movements. However, pilots are required for bunkering operations in the harbor, or for moving dead tows in or out and within the harbor.
5. ***Boarding for Inspection:*** In order to comply with these rules, pilot-exempted vessels are subject to inspection by the Authority at any time, at least once a year.

Any vessel that does not comply with the provisions of paragraphs 1, 2, 3, 4, and 5 of this Article shall have its exemption revoked for a period of six months the first time, and one year the second time, by means of resolutions without recourse to any administrative appeal. Upon expiration of the revocation period imposed by the Authority, the case may be reevaluated at the request of the concerned party.

The owner or operator of the vessel shall be notified of any such revocation. An operator is understood to be the natural person or the legally established entity in charge of the commercial operation of the vessel.

**ARTICLE THREE:** This amendment shall become effective upon approval.”

Issued in the city of Panama on the twentieth day of the month of April of the year two thousand and four.

TO BE PUBLISHED AND ENFORCED.

Jerry Salazar A.

Diógenes de la Rosa

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Minister of Canal Affairs

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Secretary