AGREEMENT No. 20
(of July 15, 1999)

“Whereby the Regulations on the Panama Canal Authority Board of Inspectors are approved”

THE BOARD OF DIRECTORS OF THE PANAMA CANAL AUTHORITY

WHEREAS:

In accordance with article 18.5.e of the Panama Canal Authority Organic Law, the Board of Directors is responsible for approving the regulations on the procedure for the investigation of accidents in Canal waters.

Articles 60 et. seq. of the aforementioned law establish that the Authority shall have a Board of Inspectors in charge of investigating marine accidents in Canal waters, and of reporting on the causes and responsibilities of same.

The draft regulations on the Board of Inspectors, the procedures for the technical investigation of accidents, and the licensing of maritime employees, have been submitted to the Board of Directors by the Canal Administrator for its consideration.

AGREES:

The following regulations on the Board of Inspectors of the Canal Authority are adopted:

“REGULATIONS ON THE BOARD OF INSPECTORS OF THE CANAL AUTHORITY

Chapter I
Organization and Functions

Article 1: This regulation regulates the organization and functions of the Board of Inspectors and procedures relating to the technical investigation of maritime accidents, and the issuance of special licenses to maritime employees to operate in the Canal.

Article 2: The Board of Inspectors shall be composed of a minimum of three members, as follows:
1. One permanent member designated by the Administrator, who shall preside it.
2. Two members designated by the Chairman of the Board of Inspectors.
The number of members may be increased by the Chairman of the Board in the cases where the circumstances or peculiarities of the accident warrant such action.

Article 3: The following are functions of the Board of Inspectors:
1. Hear cases of maritime accidents in Canal waters, inspect the vessels involved and investigate the facts, actions or omissions resulting from navigation through the Canal that involve damage to the vessels, their cargo, crew, passengers, or Authority personnel or property.
2. Submit a report of each investigation to the Administrator, setting forth in detail its opinion on the
causes and responsibilities of the accident, as well as the nature and extent of any current or future damages resulting from same.

3. Forward a copy of the above mentioned report to the personnel in charge of handling the administrative offenses referred to in Chapter X of the Panama Canal Waters Navigation Regulation.

4. Submit a confidential report to the Administrator on the estimated amount, as determined by the Board of Inspectors, of the current or future damages resulting from the marine accident investigated, according to the appropriate assessments.

5. Issue special licenses to the Authority’s maritime employees to operate in the Canal.

6. Any other pertinent maritime technical matters, as assigned by the Administrator.

**Article 4:** There shall be a *recorder* of the Board of Inspectors, whose duties shall be the following:

1. To keep registers and records of:
   a. Its proceedings and internal documents.
   b. All applications for licenses, with records of those issued or refused, suspended, renewed, or modified.
   c. All casualties, collisions, foundering, fires, and other disasters or matters of importance or interest that may come before the Board of Inspectors.

2. Prepare certificates and reports incumbent to the Board of Inspectors.

3. Any other duties as may be assigned by the Chairman of the Board.
Chapter II
Investigation of Marine Accidents

Section One
Investigation

Article 5: The Board of Inspectors shall investigate the conditions and circumstances under which any serious marine accidents have occurred in Canal waters, that involve Authority personnel or equipment.

It shall also proceed to investigate the following cases:
1. Any other accident not having the characteristics mentioned in the foregoing paragraph, when its investigation has been requested by the master or agent of the vessel involved.
2. Any other marine accident that warrants an investigation, at the discretion of the Maritime Operations Director.

Article 6: For the purpose of the foregoing article, the term *serious marine accident* is understood to mean:
1. Any accident causing substantial damage to any structure, plant, or equipment of the Authority.
2. Any accident involving death or resulting in serious personal injury; or resulting in damages to a vessel which require the making of repairs prior to its departure, provided that the Authority has reason to believe that at the time:
   a. There was Authority personnel or equipment aboard; or
   b. Authority personnel or equipment was assisting the vessel involved in the accident; or
   c. Authority personnel or equipment were situated aboard another vessel, ashore or otherwise, so as to have been a factor in the accident.

Article 7: The Board of Inspectors may employ or appoint such inspectors as it may require in the inspection of vessels.

Article 8: Owners, operators and masters of vessels shall render all requested assistance to the Board of Inspectors in its inspections and investigations.

Article 9: When so requested by the Authority, owners, operators and masters of vessels shall put machinery, equipment, appliances, mechanisms, or other gear in operation, to demonstrate their proper operation.

Article 10: When the investigation is to be done at the request of the master or agent of the vessel, the request must be in writing, and addressed to the Chairman of the Board. Failure to comply with this requirement shall be considered a waiver of the right to an investigation.

Article 11: The Board of Inspectors shall not permit any change in the physical status of the property affected by a disaster or serious marine accident prior to inspection, unless such change in status is imperative in order to preserve life or property, or the accident is of such magnitude, that it is liable to obstruct transit through Canal waters. If this should be the case, the Authority may conduct all operations which may be necessary to float the vessel, move the vessel if it is damaged, clear the obstruction, or extinguish the fire, as the case may be, without awaiting the permission of the master or agent of the vessel, and may require that the vessel, all equipment, and qualified personnel on board be placed at its disposal without costs to the Authority.
The expenses incurred by the Authority shall be a proper and legal charge against such vessel, her owners, and her operators, unless the Authority is found to be responsible for the accident.

Section Two
The Hearing

Article 12: The investigation shall conclude with a formal hearing, with the purpose of determining the causes and responsibilities of the marine accident.

Article 13: At the discretion of the Chairman of the Board, the hearing may be conducted with one or more officials of the Board of Inspectors, and shall be conducted in English. However, the final opinion shall be adopted by majority of the members.

Article 14: In the temporary absence of the Chairman of the Board, or if he is unable to act, the Director of Maritime Operations shall designate one of the officials of the Board of Inspectors to replace him.

Article 15: To conduct the hearing, the Board of Inspectors may:
1. Call witnesses or other persons to testify on matters of their competence.
2. Administer oaths to the deponents.
3. Require presentation of any books or documents they deem necessary.
4. Obtain support from the competent authorities to enforce the above, when any person refuses to appear or to provide the books or documents requested.

Article 16: Only the persons directly involved in the accident may participate in the hearing as parties in interest, except for any observers allowed, at the discretion of the Chairman of the Board of Inspectors.

The Chairman of the Board will appoint any personnel that shall participate in the hearing, depending on the circumstances of the accident.

Article 17: Any party in interest shall have the right to defend himself, and may obtain counsel of his own choosing, cross-examine witnesses, call witnesses to the stand, and introduce any relevant evidence.

Article 18: The hearing shall be scheduled so as to afford pilots and other parties in interest a period of time for sufficient rest prior to its commencement, in accordance with the provisions set forth in the annex.

Article 19: The procedure to be followed in the hearing shall be established specifically to that effect.

Section Three
Reports

Article 20: The Board of Inspectors shall submit to the Administrator a final, detailed report of each investigation proceeding that is carried out, in accordance with the annex.
The report of these proceedings shall not be used as basis for application of disciplinary actions to Authority personnel.

**Article 21:** All official records and documents of the Board of Inspectors shall be open to public examination in the office of the Board of Inspectors.

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**Chapter III**

**Licenses**

**Section One**

**General Provisions**

**Article 22:** The Board of Inspectors shall issue special licenses for the following maritime positions:
- a. Pilot
- b. Master
- c. Mate
- d. Steam and/or motor vessel Engineer
- e. Motorboat Operator

Only holders of a valid license issued by the Authority may perform the duties of the above positions in Canal waters.

**Article 23:** For the purposes of this Regulation, the word *license* means a license issued by the Panama Canal Authority to its maritime workers; *original license* means the first license issued to an applicant, where the records show no previous issuance of a license of the kind requested by such applicant.

**Article 24:** Licenses shall be subject to tonnage, length, horsepower and vessel type limitations, in accordance with the requirements for each type of license.

**Article 25:** Applicants to positions requiring marine licenses must meet all the general and specific requirements set forth in the annex.

**Article 26:** Applicants shall personally appear before the Board of Inspectors and pass written and practical tests to obtain an original license or raise in grade.

**Article 27:** Licenses shall be valid for a five year renewable period, and shall be canceled only when the work relation of the license holder with the Authority is terminated, except in the case of improper use.

**Article 28:** All maritime workers are entitled to the renewal of their license, provided they meet the requirements set forth in the annex.

**Article 29:** If the Board of Inspectors considers that an applicant does not meet the requirements for the license for which he has applied, it shall deny such application through a resolution, setting forth the reasons for its denial.

**Article 30:** When a license is denied, the applicant may appeal the resolution to the Director of Maritime
Operations or his designee, within five (5) days, after the date he is personally notified of the Board of Inspectors’ decision.

**Article 31:** If an applicant is denied a license because he has not passed the tests, he may appear a maximum of two times in one year before the Board of Inspectors to be re-examined, with a minimum of 30 days between examinations.

**Article 32:** Improper use of a license shall be cause for immediate revocation of same by the Board of Inspectors.

### Section Two

#### Review Board

**Article 33:** The Board of Inspectors shall appoint a Review Board to examine the documentation submitted by the applicants to maritime positions that require licensing. The Review Board shall be formed in accordance with the provisions set forth in the annex.

**Article 34:** This Review Board shall evaluate the suitability and legitimacy of the documentation, based on the principles and rules of the merit system, and shall emit a mandatory pronouncement on each case.

**PARAGRAPH:** The Administrator of the Panama Canal Authority is hereby authorized to publish and distribute these Regulations with a different format, including annotations and comments, to facilitate its use by the users of the Canal.”

Given in Panama, the fifteenth day of the month of July, nineteen hundred and ninety-nine.

To be published and enforced.

Jorge Eduardo Ritter

Diogenes de la Rosa

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Minister for Canal Affairs Secretary

### Chapter III

#### Licenses

### Section One

#### General Provisions
ANNEX

Chapter II
Investigation of Accidents

Section Two
The Hearing

Article 18: Hearings shall be scheduled in accordance with the following table:

<table>
<thead>
<tr>
<th>Relief Time:</th>
<th>Time of Hearing:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000-0400..........</td>
<td>1400-1800 (12 hours minimum)</td>
</tr>
<tr>
<td>0400-0800..........</td>
<td>1600-2000 (12 hours minimum)</td>
</tr>
<tr>
<td>0800-1200..........</td>
<td>1800-2200 (12 hours minimum)</td>
</tr>
<tr>
<td>1200-1600..........</td>
<td>0800 Next day.</td>
</tr>
<tr>
<td>1600-2000..........</td>
<td>1000 Next day.</td>
</tr>
<tr>
<td>2000-2400..........</td>
<td>1000 Next day.</td>
</tr>
</tbody>
</table>

The “Relief Time” column indicates the period during which the pilot or other party in interest completed the transit during which an accident occurred or the time at which he was relieved of duty following the occurrence of same.

The “Time of Hearing” column indicates the earliest time at which the hearing may be scheduled. Unless a pilot or other party in interest requests the time provided in this schedule, the hearing may be set for an earlier hour.

Section Three
Reports

Article 20: The report submitted by the Board of Inspectors to the Administrator shall include a transcript of the record of the hearing, together with its opinion with respect to the accident. It shall be rendered by a full Board, even though the hearing may have been conducted by a single member of the Board of Inspectors or by a two-man Board.
**Article 25:** To be eligible for examination for any license, an applicant must meet the following:

1. **General Requirements:**
   a. Be at least 21 years of age, and have the necessary experience as specified in this chapter. Applicants for a motorboat operator’s license must be more than 18 years of age.
   
b. An applicant for license as pilot, master, mate, or engineer must have a working knowledge of the English language. The examination for license will be given in either English or Spanish, according to the choice of the applicant.
   
c. An applicant for an original license as pilot, master, mate or engineer must present satisfactory evidence to the Board of Inspectors that he has completed a basic first aid course administered by an organization recognized by the Authority. The title issued by a recognized nautical school or maritime academy, having academic programs which comply with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978/95 (STCW) of the International Maritime Organization (IMO), shall constitute satisfactory evidence of the applicant’s compliance with this requirement.
   
d. All applicants for original license must pass a physical examination given by a physician recognized by the Authority, and present a certificate executed by the examining physician to the Board of Inspectors, attesting to the applicant’s acuity of vision, hearing, color sense, and general physical condition.

2. **Specific Requirements:**
   a. **Master’s License.**
      a.1 Master, Motor Vessels:
         a.1.a Hold a currently valid license as mate of motor vessels, issued by the Authority.
         a.1.b Have served a minimum of 260 eight-hour watches on Panama Canal Authority vessels of more than 250 gross tons, engaged in towing.
         
a.2 Master, non-self-propelled floating dredging equipment:
         a.2.a. Must have at least 260 eight-hour watches of experience as mate on Panama Canal Authority non-self-propelled floating dredging equipment or other experience aboard other vessels as the Board of Inspectors determines to be equivalent thereto.
   
b. **Mate’s License.**
   b.1 Mate, Motor Vessels:
      b.1.a. Have graduated from a nautical school or maritime academy’s program for deck officers, that comply with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978/95 (STCW) of the International Maritime Organization (IMO); or
      
b.1.b. Hold a license as master or mate issued by an authority recognized and approved by the Board of Inspectors, and have completed a minimum of 260 eight-hour watches as a licensed officer in charge of deck watch, on motor vessels of more than 250 gross tons, engaged in towing.
b.1.c. In addition to one of the above requirements, have completed a minimum of 260 eight-hour watches as officer in training, on Panama Canal Authority vessels of more than 250 gross tons, engaged in towing.

b.2 **Mate, Non-Self-Propelled Floating Dredging Equipment:**

b.2.a. Have served a four-year apprenticeship as Mate, dredge; or

b.2.b. Have completed two years of qualifying experience in the deck department of non-self-propelled floating dredging equipment, and completed adequate apprenticeship training; or

b.2.c. Such other experience considered to be a satisfactory equivalent thereto by the Authority.

c. **Pilot’s License:**
c.1 Vessels less than 69 meters (225 feet) in length:

   c.1.a. Have graduated from a nautical school or maritime academy program for deck officers with academic programs that comply with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978/95 (STCW); and have served at least three years as a deck officer on vessels of 3,000 gross tons or over, one year of which must have been as a chief mate, while holding a license issued by the competent authority; or

   c.1.b. Have served at least four years as a pilot in a national port qualified for international commerce, while holding a pilot license issued by the competent authority, and have completed a minimum of 360 maneuvers on vessels of 4,000 gross tons or over, with 25% of these maneuvers completed during the last year; or

   c.1.c. Have served a minimum of 520 eight-hour watches as master of Panama Canal Authority motor vessels of 1,000 horsepower; and

   c.1.d. Have completed the Pilot Training Program conducted by the Panama Canal Authority.

   c.2 For vessels not over 160 meters (526 feet) in length, have been employed by the Panama Canal Authority as pilot of vessels not over 69 meters (225 feet) in length, for at least 14 weeks.

   c.3 For vessels of any tonnage, have been employed by the Panama Canal Authority as pilot of vessels not over 160 meters (526 feet) in length, for at least 54 weeks.

Prior to receiving any license as pilot under this article, an applicant must pass a prescribed examination.

d. **Motorboat Operator’s License:**
d.1 Be over 18 years of age.

d.2 Pass a practical demonstration of his ability to operate a motorboat properly and safely, or submit
proof of such capability to the Board of Inspectors’s satisfaction.

Licenses to operate motorboats will be issued only in accordance with the conditions and limitations established in the Marine Operations Manual.

e. **Engineer’s License:**
Engineer licenses issued by the Authority are limited to the grades of chief engineer and assistant engineer on motor vessels, steam vessels, or both.

   **e.1 Chief Engineer, Steam Vessels:**
   e.1.a. Hold a valid license as assistant engineer of steam vessels, and have served a minimum of 260 eight-hour watches as assistant engineer on Panama Canal Authority steam vessels; or

   e.1.b. Hold a valid license as assistant engineer of steam vessels, and have served at least 260 eight-hour watches as an officer in charge of an engine room watch on steam vessels of 3,000 horsepower or more; or

   e.1.c. Meet the experience requirements of e.2.b., and have completed at least 130 eight-hour watches as observer-chief engineer on steam vessels; or

   e.1.d. Hold a valid license as chief engineer or assistant engineer of steam vessels, issued by an authority other than the Panama Canal Authority, recognized by the Review Board and meet the watch requirements of paragraphs e.1.a., e.1.b., and e.1.c.

   **e.2 Chief Engineer, Motor Vessels:**
   e.2.a. Hold a valid license as assistant engineer of motor vessels, meet the experience requirements of paragraphs e.4.a. or e.4.b., and have served at least 260 eight-hour watches as assistant engineer on motor vessels; or

   e.2.b. Meet the experience requirements of paragraph e.3.a., and have served at least 65 eight-hour watches as licensed observer-chief engineer on motor vessels; or

   e.2.c. Hold a valid license as chief engineer or assistant engineer of motor vessels, issued by an authority other than the Panama Canal Authority recognized by the Review Board, and have accumulated at least 260 eight-hour watches as a licensed officer in charge of an engine room on motor vessels of 3,000 horsepower or more.

   **e.3 Assistant Engineer, Steam Vessels:**
   e.3.a. Have graduated from a nautical school or maritime academy program for engineer officers with academic programs that comply with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978/95 (STCW); or

   e.3.b. Hold a valid license as assistant engineer of motor vessels, and have served a minimum of
130 eight-hour watches as observer-assistant engineer on steam vessels.

*e.4 Assistant Engineer, Motor Vessels:*
e.4.a. Have graduated from a nautical school or maritime academy program for engineer officers with academic programs that comply with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978/95 (STCW); or

e.4.b. Hold a valid license as assistant engineer on steam vessels, and have served a minimum of 130 eight-hour watches as observer-assistant engineer on motor vessels.

*e.5 Chief and Assistant Engineer, Steam and Motor Vessels:*
The Board of Inspectors may issue:
e.5.a. A single license for chief engineer of steam and motor vessels to persons holding currently valid licenses as chief engineer of steam vessels and chief engineer of motor vessels.
e.5.b. A single license for assistant engineer of steam and motor vessels to persons holding currently valid licenses as assistant engineer of steam vessels and assistant engineer of motor vessels.

**Article 28:** Applicants for renewal of licenses every five years shall appear in person, and must:
a. Present evidence of service aboard or employment in a position closely related to the operation of vessels, and a certificate attesting to the applicant’s acuity of vision, hearing, and normal color sense, issued by a physician recognized by the Authority; and

b. Take an update course offered by the Authority. The Board of Inspectors shall determine the extension of the course for each individual case, and shall record a summary of this course in the officer’s license file. In case of omission by the Canal Authority in providing update courses, the expired license shall remain effective until the holder can meet the above mentioned requirement.

A 12-month period of grace shall be allowed for license renewals. After the date of expiration of this period, the applicant must pass the corresponding written and practical examinations again. The Board of Inspectors shall determine their extension and complexity.

**Section Two**

**Review Board**

**Article 33:** The Review Board shall be composed as follows, depending on the type of license applied for:

1. **Pilot’s License:**
a. The Chairman of the Board of Inspectors, or his designee, who shall preside it.
b. A representative of the corresponding bargaining unit.
c. The Manager, Maritime Training, or his designee.

2. **Master’s and Mate’s License:**
a. The Chairman of the Board of Inspectors, or his designee, who shall preside it.
b. A representative of the corresponding bargaining unit.
c. The Manager, Maritime Training, or his designee.
3. **Engineer’s License:**
   a. The Chairman of the Board of Inspectors, or his designee, who shall preside it.
   b. A representative of the corresponding bargaining unit.
   c. The Manager, Maritime Training, or his designee.

4. **Motorboat Operator’s License:**
   a. The Chairman of the Board of Inspectors, or his designee, who shall preside it.
   b. A representative of the corresponding bargaining unit.
   c. The Chief, Launch/Linehandling Branch of the respective District.”