

No. 2316

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Relations of the Republic of Panama and has the honor to refer to recent discussions between representatives of our two Governments regarding issues related to United States personnel, as defined in the Embassy's note no. 834, dated July 3, 2001, and the Ministry's note DM no. 0301/2001, dated July 10, 2001, and United States contractors (defined as non-Panamanian companies and firms, and their employees who are not nationals of Panama, under contract to the United States Department of Defense) who may be temporarily present in Panama in connection with a visit by thirty-three United States personnel from the U.S. Mobile Security Detachment, who will stay in Panama from January 9 to May 15, 2007, and who will be in uniform and will carry assigned weapons as authorized by their orders. The purpose of the visit is to support the Panama Canal transits of U.S. Navy vessels. The Panamanian Counterpart is Antonio Michel at the Panama Canal Authority (ACP).

As a result of these discussions, the Embassy proposes that with respect to the above mentioned activities:

United States personnel be accorded the privileges, exemptions, and immunities equivalent to those accorded to the Administrative and Technical staff of a diplomatic

mission under the Vienna Convention on Diplomatic Relations of April 18, 1961; the agreement between our two Governments entered into by the Embassy's note no. 835 dated July 3, 2001 and the Ministry's reply in note no. DM 0300/2001 dated July 10, 2001, shall apply; United States personnel may enter and exit Panama with United States identification and with collective movement or individual travel orders and without payment of any fee. Panama shall accept as valid all professional licenses issued by the United States, its political subdivisions or states thereof to United States personnel for the provision of services to authorized personnel; Panama authorities shall accept as valid, without a driving test or fee, driving licenses or permits issued by the appropriate United States authorities to United States personnel for the operation of vehicles; United States personnel shall be authorized to wear uniforms while performing official duties and to carry arms while on duty if authorized to do so by their orders;

The Government of Panama recognizes the particular importance of disciplinary control by United States armed forces authorities over United States personnel and, therefore, authorizes the Government of the United States to exercise criminal jurisdiction over United States personnel while in Panama;

United States personnel shall have the responsibility to respect the laws of Panama and to abstain from any activity inconsistent with the spirit of their mission, and that authorities of the Government of the United States shall take the necessary steps to that end;

Appropriate Panamanian and United States military or civilian police authorities shall cooperate in the investigation of any crime believed to have been committed by or

against United States personnel;

The United States Department of Defense and United States personnel shall not be liable to pay any tax or similar charge assessed within Panama and that the United States Department of Defense and United States personnel may import into, export out of, and use in Panama any personal property, equipment, supplies, materiel, technology, training, or services in connection with activities under this agreement; Such importation, exportation, and use shall be exempt from any inspection, license, other restrictions, customs duties, taxes, or any other charges assessed within Panama; The Governments of the United States of America and Panama shall cooperate to take such measures as may be necessary to ensure the security and protection of United States personnel, property, equipment, records, and official information in Panama;

Vessels and vehicles operated by or, at the time, exclusively for the United States Department of Defense may enter, exit, and move freely within the territory of Panama, and that such vehicles (whether self-propelled or towed) shall not be subject to the payment of overland transit tolls; Vessels and aircraft owned or operated by or, at the time, exclusively for the United States Department of Defense shall not be subject to the payment of landing, parking, or port fees, pilotage charges, lighterage, and harbor dues at facilities owned and operated by the Government of Panama.

Aircraft owned and operated by or, at the time, exclusively for the United States Department of Defense shall not be subject to payment of navigation, overflight, terminal or similar charges when in the territory of Panama; The United States Department of

Defense shall pay reasonable charges for services requested and received at rates no less favorable than those paid by the Armed Forces of Panama; Aircraft and vessels of the United States Government shall be free from boarding and inspection;

The United States Department of Defense may contract for any materiel, supplies, equipment, and services (including construction) to be furnished or undertaken in Panama without restriction as to choice of contractor, supplier, or person who provides such materiel, supplies, equipment or services; Such contracts shall be solicited, awarded and administered in accordance with the laws and regulations of the Government of the United States of America; Acquisition of articles and services in Panama by or on behalf of the United States Department of Defense in connection with activities under this agreement shall not be subject to any taxes or similar charges in Panama;

United States contractors shall not be liable to pay any tax or similar charge assessed within Panama in connection with activities under this agreement and that such contractors may import into, export out of, and use in Panama any personal property, equipment, supplies, materiel, technology, training, or services in fulfillment of contracts with the United States Department of Defense in connection with activities under this agreement; Such importation, exportation, and use shall be exempt from any license, other restrictions, customs duties, taxes, or any other charges assessed within Panama;

United States contractors shall be granted the same treatment as United States personnel with respect to professional and drivers, licenses; United States personnel shall have freedom of movement and access to and use of mutually agreed transportation,

storage, training, and other facilities required in connection with activities under this agreement;

The Government of Panama recognizes that it may be necessary for the United States armed forces to use the radio spectrum; The United States Department of Defense shall be allowed to operate its own telecommunication systems (as telecommunication is defined in the 1992 Constitution and Convention of the International Telecommunication Union); This shall include the right to utilize such means and services as required to ensure full ability to operate telecommunication systems, and the right to use all necessary radio spectrum for this purpose; Use of the radio spectrum shall be free of cost to the United States Government;

The Government of Panama shall accept full responsibility for, and shall hold the United States Government harmless from, any and all claims arising from the use of projects constructed, or in the process of being constructed in whole or in part, by United States personnel; The parties waive all other claims (other than contractual claims) against each other for damage to, loss, or destruction of the other's property or injury or death to personnel of either party's armed forces or their civilian personnel arising out of the performance of their official duties in connection with activities under this agreement; Claims by third parties for damages or loss caused by United States personnel shall be resolved by the United States Government in accordance with United States laws and regulations; and

Our two governments, or their designated representatives may enter into implementing arrangements to carry out the provisions of this Agreement.

If the foregoing is acceptable to the Government of Panama, the Embassy proposes that this note, together with the Ministry's reply to that effect, shall constitute an agreement between the two Governments, which shall enter into force on the date of the Ministry's reply.



Embassy of the United States of America,

Panama, December 26, 2006.

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Translation

**Republic of Panama
Ministry of Foreign Relations
Panama City 4, Panama**

No. DT/003

The Ministry of Foreign Relations presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of its note verbale No. 2316 of December 26, 2006, which reads as follows:

[See English Text]

Embassy of the United States of America,
Panama City.

In this regard, the Ministry of Foreign Relations has the honor to inform the Embassy of the United States of America that the above proposal is acceptable to the Government of the Republic of Panama and that the Embassy's note and this reply shall constitute an agreement between our two governments which shall enter into force as of the date of this note.

[Complimentary close]

Panama City, January 8, 2007

[Initialed]

[Official stamp]