

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this part, and any other applicable provision of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this chapter, to the policies, principles, and standards applicable to the competitive service;

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service; and

(5) not be subject to the provisions of title 5, unless specifically made applicable by this chapter.

(b) Applicability to any Executive agency and Smithsonian Institution

(1) The head of any Executive agency (other than the Commission) and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(2) Any Executive agency (other than the Commission) and the Smithsonian Institution, to the extent of any election under paragraph (1), shall conduct its employment and pay practices relating to employees in accordance with the Panama Canal Employment System.

(3) Notwithstanding any other provision of this chapter, the Panama Canal Act Amendments of 1996 (subtitle B of title XXXV of Public Law 104-201; 110 Stat. 2860), or the Panama Canal Transition Facilitation Act of 1997 (subtitle B of title XXXV of Public Law 105-85; 110¹ Stat. 2062), or the Panama Canal Commission Authorization Act for Fiscal Year 1999, this subpart, as in effect on September 22, 1996, shall continue to apply to an Executive agency or the Smithsonian Institution to the extent of an election under paragraph (1) by the head of the agency or the Institution, respectively.

(c) Exclusion of employees or positions from coverage

The Commission may exclude any employee or position from coverage under any provision of this subpart, other than the interchange rights extended under subsection (a)(4) of this section.

(Pub. L. 96-70, title I, §1212, Sept. 27, 1979, 93 Stat. 464; Pub. L. 104-201, div. C, title XXXV, §3530(a), Sept. 23, 1996, 110 Stat. 2862; Pub. L. 105-85, div. C, title XXXV, §§ 3523(d), 3550(d)(5), Nov. 18, 1997, 111 Stat. 2065, 2074; Pub. L. 105-261, div. A, title XXXV, §§ 3507(c), 3512(a)(2), Oct. 17, 1998, 112 Stat. 2269, 2271.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a)(3), (5) and (b)(3), was in the original “this Act”, meaning Pub. L. 96-70, Sept. 27, 1979, 93 Stat. 452, known as the Panama

¹ So in original. Probably should be “111”.

Canal Act of 1979, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

The Panama Canal Act Amendments of 1996, referred to in subsec. (b)(3), is subtitle B of title XXXV of div. C of Pub. L. 104-201, Sept. 23, 1996, 110 Stat. 2860. For complete classification of this Act to the Code, see Short Title of 1996 Amendment note set out under section 3601 of this title and Tables.

The Panama Canal Transition Facilitation Act of 1997, referred to in subsec. (b)(3), is subtitle B of title XXXV of div. C of Pub. L. 105-85, Nov. 18, 1997, 111 Stat. 2062. For complete classification of this Act to the Code, see Short Title of 1997 Amendment note set out under section 3601 of this title and Tables.

The Panama Canal Commission Authorization Act for Fiscal Year 1999, referred to in subsec. (b)(3), is title XXXV of div. C of Pub. L. 105-261, Oct. 17, 1998, 112 Stat. 2267, which amended this section and sections 3612, 3612b, 3620, 3642, 3657, 3664, 3671, 3723, 3731, 3751, 3771, 3772, 3776, 3779, and 3862 of this title, repealed sections 3646, 3647, and 3663 of this title, and enacted provisions set out as notes under section 3657 of this title. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

1998—Subsec. (b)(3). Pub. L. 105-261, §3512(a)(2), inserted “the” after “by the head of”.

Pub. L. 105-261, §3507(c), substituted “the Panama Canal Transition Facilitation Act of 1997 (subtitle B of title XXXV of Public Law 105-85; 110 Stat. 2062), or the Panama Canal Commission Authorization Act for Fiscal Year 1999” for “the Panama Canal Transition Facilitation Act of 1997”.

1997—Subsec. (b)(3). Pub. L. 105-85, §3550(d)(5), substituted “as in effect on September 22, 1996” for “as last in effect before September 23, 1996”.

Pub. L. 105-85, §3523(d), substituted “, the Panama Canal Act Amendments of 1996 (subtitle B of title XXXV of Public Law 104-201; 110 Stat. 2860), or the Panama Canal Transition Facilitation Act of 1997” for “or the Panama Canal Act Amendments of 1996”.

1996—Pub. L. 104-201 amended section generally, substituting subsecs. (a) to (c) requiring the Commission to establish a Panama Canal Employment System for former subsecs. (a) to (d) requiring the President to establish such a System.

SAVINGS PROVISION

Section 3530(b) of Pub. L. 104-201 provided that: “The Panama Canal Employment System and all elections, rules, regulations, and orders relating thereto, as last in effect before the amendment made by subsection (a) [amending this section] takes effect, shall continue in effect, according to their terms, until modified, terminated, or superseded under section 1212 of the Panama Canal Act of 1979 [this section], as amended by subsection (a).”

COORDINATION OF PAY AND EMPLOYMENT PRACTICES

For provisions requiring consultations with the Secretary of Defense for agencies under this subpart with respect to the establishment of rates of pay and other matters deemed appropriate by the Secretary in order to develop compatible or unified systems of basic pay and employment practices, see section 1-201 of Ex. Ord. No. 12215, May 27, 1980, 45 F.R. 36043, set out as a note under section 3601 of this title.

§ 3653. Employment standards

The Commission shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subpart, any regulations prescribed thereunder, and the Panama Canal Employment System.

(Pub. L. 96-70, title I, §1213, Sept. 27, 1979, 93 Stat. 464; Pub. L. 104-201, div. C, title XXXV, §3531, Sept. 23, 1996, 110 Stat. 2863.)

AMENDMENTS

1996—Pub. L. 104-201 substituted “The Commission” for “The head of each agency” in introductory provisions.

COORDINATION OF PAY AND EMPLOYMENT PRACTICES

For provisions requiring consultations with the Secretary of Defense for agencies under this subpart with respect to the establishment of rates of pay and other matters deemed appropriate by the Secretary in order to develop compatible or unified systems of basic pay and employment practices, see section 1-201 of Ex. Ord. No. 12215, May 27, 1980, 45 F.R. 36043, set out as a note under section 3601 of this title.

§ 3654. Repealed. Pub. L. 104-201, div. C, title XXXV, § 3532, Sept. 23, 1996, 110 Stat. 2863

Section, Pub. L. 96-70, title I, §1214, Sept. 27, 1979, 93 Stat. 465, related to an interim, continuing application of Canal Zone Merit System, as in effect on Sept. 30, 1979, until Panama Canal Employment System was established and in effect.

§ 3655. Repealed. Pub. L. 105-85, div. C, title XXXV, § 3523(a)(1), Nov. 18, 1997, 111 Stat. 2064

Section, Pub. L. 96-70, title I, §1215, Sept. 27, 1979, 93 Stat. 465, related to establishment and revision of basic pay.

§ 3656. Uniform application of standards and rates

The standards established pursuant to section 3653 of this title and the rates of basic pay established pursuant to section 3642 of this title shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

(Pub. L. 96-70, title I, §1216, Sept. 27, 1979, 93 Stat. 465; Pub. L. 105-85, div. C, title XXXV, §3523(c)(1), Nov. 18, 1997, 111 Stat. 2065.)

AMENDMENTS

1997—Pub. L. 105-85 substituted “section 3642” for “section 3655”.

§ 3657. Recruitment and retention remuneration

(a) Repealed. Pub. L. 105-261, div. C, title XXXV, § 3507(a), Oct. 17, 1998, 112 Stat. 2269

(b) Restriction

Any employee described in more than one paragraph of subsection (a) of this section may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Recruitment and relocation bonuses

(1) The Commission may pay a recruitment bonus to an individual who is newly appointed to a position with the Commission, or a relocation bonus to an employee of the Commission who must relocate to accept a position, if the

Commission determines that the Commission would be likely, in the absence of such a bonus, to have difficulty in filling the position.

(2) A recruitment or relocation bonus may be paid to an employee under this subsection only if the employee enters into an agreement with the Commission to complete a period of employment established in the agreement. If the employee voluntarily fails to complete such period of employment or is separated from service in such employment as a result of an adverse action before the completion of such period, the employee shall repay the entire amount of the bonus.

(3) A recruitment or relocation bonus under this subsection may be paid as a lump sum. A bonus under this subsection may not be considered to be part of the basic pay of an employee.

(d) Retention bonuses

(1) The Commission may pay a retention bonus to an employee of the Commission if the Commission determines that—

(A) the employee has unusually high or unique qualifications and those qualifications make it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date, or the Commission otherwise has a special need for the services of the employee making it essential for the Commission to retain the employee for a period specified by the Commission ending not later than the Canal Transfer Date; and

(B) the employee would be likely to leave employment with the Commission before the end of that period if the retention bonus is not paid.

(2) A retention bonus under this subsection—

(A) shall be in a fixed amount;

(B) shall be paid on a pro rata basis (over the period specified by the Commission as essential for the retention of the employee), with such payments to be made at the same time and in the same manner as basic pay; and

(C) may not be considered to be part of the basic pay of an employee.

(3) A decision by the Commission to exercise or to not exercise the authority to pay a bonus under this subsection shall not be subject to review under any statutory procedure or any agency or negotiated grievance procedure except under any of the laws referred to in section 2302(d) of title 5.

(e) Limit on compensation

Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay of the individual to whom the compensation is paid.

(Pub. L. 96-70, title I, §1217, Sept. 27, 1979, 93 Stat. 465; Pub. L. 104-201, div. C, title XXXV, §3533, Sept. 23, 1996, 110 Stat. 2863; Pub. L. 105-85, div. C, title XXXV, §3525(a), Nov. 18, 1997, 111 Stat. 2066; Pub. L. 105-261, div. C, title XXXV, §3507(a), Oct. 17, 1998, 112 Stat. 2269.)

AMENDMENTS

1998—Subsec. (a). Pub. L. 105-261 struck out subsec. (a) which read as follows: “In addition to basic pay, additional compensation may be paid, in such amounts as