

## AMENDMENTS

1996—Pub. L. 104-201 reenacted section catchline without change and amended text generally. Prior to amendment, text was comprised of subsecs. (a) to (d) of section 1331 of Pub. L. 96-70 which provided for discontinuation of postal service under former Canal Zone Code, savings provision, possession and administration of postal funds by Commission, and handling of mail addressed to the Canal Zone. Prior to amendment, section 1331 also contained a subsec. (e) which amended sections 403, 3401, 3402, and 3682 of Title 39, Postal Service.

## SUBPART V—ACCOUNTS WITH REPUBLIC OF PANAMA

**§ 3751. Payments to Republic of Panama****(a) Payments required under Panama Canal Treaty; annual audit**

The Commission shall pay to the Republic of Panama those payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. Payments made under paragraph 5 of Article III of such Treaty shall be audited annually by the Comptroller General and any overpayment, as determined in accordance with Understanding (1) incorporated in the Resolution of Ratification of the Panama Canal Treaty (adopted by the United States Senate on April 18, 1978), for the services described in that paragraph which are provided shall be refunded by the Republic of Panama or set off against amounts payable by the United States to the Republic of Panama under paragraph 5 of Article III of the Panama Canal Treaty of 1977.

**(b) Excess operating revenues**

In determining whether operating revenues exceed expenditures for the purpose of payments to the Republic of Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977, such operating revenues in a fiscal period shall be reduced by (1) all costs of such period as shown by the accounts established pursuant to section 3721 of this title, and (2) the cumulative sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of costs of the Panama Canal Commission over operating revenues.

**(c) Retroactive taxation**

The President shall not accede to any interpretation of paragraph 1 of Article IX of the Panama Canal Treaty of 1977 which would permit the Republic of Panama to tax retroactively organizations and businesses operating, and citizens of the United States living, in the Canal Zone before October 1, 1979.

**(d) Accumulated unpaid balances**

Any accumulated unpaid balance under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977 at the termination of such Treaty shall be payable only to the extent of any operating surplus in the last year of the Treaty's duration, and nothing in such paragraph may be construed as obligating the United States to pay after the date of the termination of the Treaty any such unpaid balance which has accrued before such date.

**(e) Toll rates; payment of costs of operation and maintenance of canal with unexpended funds**

As provided in section 3792(b) of this title, tolls shall not be prescribed at rates calculated to cover payments to the Republic of Panama pursuant to paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977. Moreover, no payments may be made to the Republic of Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977 unless unexpended funds are used to pay all costs of operation and maintenance of the canal, including but not limited to (1) operating expenses determined in accordance with generally accepted accounting principles, (2) payments to the Republic of Panama under paragraphs 4(a) and 4(b) of such Article XIII and under paragraph (5) of Article III of such Treaty, (3) amounts in excess of depreciation and amortization which are programmed for plant replacement, expansion, and improvements, (4) payments to the Treasury of the United States under section 3793 of this title, (5) reimbursement to the Treasury of the United States for costs incurred by other departments and agencies of the United States in providing educational, health, and other services to the Commission, its employees and their dependents, and other categories of persons in accordance with section 3731 of this title, (6) any costs of Treaty implementation associated with the maintenance and operation of the Panama Canal, and (7) amounts programmed to meet working capital requirements.

**(f) Prohibitions**

The prohibitions contained in this section and in sections 3712(b) and 3783 of this title shall apply notwithstanding any other provision of law authorizing transfers of funds between accounts, reprogramming of funds, use of funds for contingency purposes, or waivers of prohibitions.

**(g) Exemption from automatic budget cuts**

Notwithstanding any other provision of law, no reduction under any order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 shall apply to the Commission if the implementation of such an order would result in a payment to the Republic of Panama under paragraph 4(c) of article XIII of the Panama Canal Treaty of 1977 and this section.

(Pub. L. 96-70, title I, §1341, Sept. 27, 1979, 93 Stat. 482; Pub. L. 99-368, §6, Aug. 1, 1986, 100 Stat. 776; Pub. L. 100-203, title V, §5426, Dec. 22, 1987, 101 Stat. 1330-274; Pub. L. 104-201, div. C, title XXXV, §3548(b)(3), Sept. 23, 1996, 110 Stat. 2869; Pub. L. 105-85, div. C, title XXXV, §3550(d)(7), Nov. 18, 1997, 111 Stat. 2074; Pub. L. 105-261, div. C, title XXXV, §3512(b), Oct. 17, 1998, 112 Stat. 2271.)

## REFERENCES IN TEXT

The Balanced Budget and Emergency Deficit Control Act of 1985, referred to in subsec. (g), is title II of Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1038, as amended, which enacted chapter 20 (§900 et seq.) and sections 654 to 656 of Title 2, The Congress, amended sections 602, 622, 631 to 642, and 651 to 653 of Title 2, sections 1104 to 1106, and 1109 of Title 31, Money and Finance, and section 911 of

Title 42, The Public Health and Welfare, repealed section 661 of Title 2, enacted provisions set out as notes under section 900 of Title 2 and section 911 of Title 42, and amended provisions set out as a note under section 621 of Title 2. For complete classification of this Act to the Code, see Short Title note set out under section 900 of Title 2 and Tables.

## AMENDMENTS

1998—Subsec. (f). Pub. L. 105-261 made technical correction to Pub. L. 104-201. See 1996 Amendment note below.

1997—Subsec. (f). Pub. L. 105-85, which directed substitution of “sections 3712(b)” for “sections 3712(c)”, could not be executed because the words “sections 3712(c)” did not appear subsequent to amendment by Pub. L. 104-201, as amended by Pub. L. 105-261. See 1996 and 1998 Amendments notes below and above.

1996—Subsec. (f). Pub. L. 104-201, as amended by Pub. L. 105-261, substituted “sections 3712(b)” for “sections 3712(c)”.

1987—Subsec. (e)(7). Pub. L. 100-203 added cl. (7).

1986—Subsec. (g). Pub. L. 99-368 added subsec. (g).

## EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-261, div. C, title XXXV, §3512(b), Oct. 17, 1998, 112 Stat. 2271, provided that the amendment made by section 3512(b) is effective as of Sept. 23, 1996, and as if included in section 3548(b)(3) of the Panama Canal Act Amendments of 1996, Pub. L. 104-201, as enacted.

## EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-203 effective Jan. 1, 1988, see section 5429 of Pub. L. 100-203, set out as a note under section 3712 of this title.

## EFFECTIVE DATE OF 1986 AMENDMENT

Section 7 of Pub. L. 99-368 provided that: “The amendment made by section 6 [amending this section] shall take effect with respect to fiscal year 1986 and subsequent fiscal years.”

**§ 3752. Transactions with Republic of Panama****(a) Commission assistance on reimbursable basis**

The Commission may, on a reimbursable basis, provide to the Republic of Panama materials, supplies, equipment, work, or services, including water and electric power, requested by the Republic of Panama, at such rates as may be agreed upon by the Commission and the Republic of Panama. Payment for such materials, supplies, equipment, work, or services may be made by direct payment by the Republic of Panama to the Commission or by offset against amounts due the Republic of Panama by the United States.

**(b) Commission assistance on nonreimbursable basis**

The Commission may provide office space, equipment, supplies, personnel, and other in-kind services to the Panama Canal Authority on a nonreimbursable basis.

**(c) Other department of agency assistance on reimbursable basis**

Any executive department or agency of the United States may, on a reimbursable basis, provide to the Panama Canal Authority materials, supplies, equipment, work, or services requested by the Panama Canal Authority, at such rates as may be agreed upon by that department or agency and the Panama Canal Authority.

(Pub. L. 96-70, title I, §1342, Sept. 27, 1979, 93 Stat. 483; Pub. L. 105-85, div. C, title XXXV, §3542, Nov. 18, 1997, 111 Stat. 2072.)

## AMENDMENTS

1997—Pub. L. 105-85 designated existing provisions as subsec. (a) and added subsecs. (b) and (c).

**§ 3753. Disaster relief**

If an emergency arises because of disaster or calamity by flood, hurricane, earthquake, fire, pestilence, or like cause, not foreseen or otherwise provided for, and occurring in the Republic of Panama in such circumstances as to constitute an actual or potential hazard to health, safety, security, or property in the areas and installations made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, the Commission may expend funds available to the Commission for such purpose, and utilize or furnish materials, supplies, equipment, and services for relief, assistance, and protection.

(Pub. L. 96-70, title I, §1343, Sept. 27, 1979, 93 Stat. 483; Pub. L. 100-203, title V, §5428(b), Dec. 22, 1987, 101 Stat. 1330-274.)

## AMENDMENTS

1987—Pub. L. 100-203 substituted “funds available” for “available funds appropriated”.

## EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-203 effective Jan. 1, 1988, see section 5429 of Pub. L. 100-203, set out as a note under section 3712 of this title.

**§ 3754. Congressional restraints on property transfers and tax expenditures; formal appraisal of Panama**

(a) The Congress enacts this section in the exercise of its authority under Article IV, section 3, clause 2 of the Constitution of the United States to dispose of and make necessary rules and regulations with respect to property of the United States.

(b) Prior to the transfer of property of the United States located in the Republic of Panama to the Republic of Panama pursuant to section 3784 of this title the President shall formally advise the Government of Panama that—

(1) in fulfilling its obligations under the Panama Canal Treaty of 1977, the United States shall make no payments to the Republic of Panama derived from tax revenues of the United States;

(2) the United States retains full discretion and authority to determine whether and the extent to which tax revenues of the United States may be expended in exercising United States rights and carrying out United States responsibilities under the Panama Canal Treaty of 1977 and related agreements;

(3) no tax revenues of the United States shall be made available for obligations and expenditure after October 1, 1979, for purposes of implementing the Panama Canal Treaty of 1977 and related agreements, unless hereafter specifically approved by the Congress through the authorization and appropriation process;

(4) the total amount expended by the Commission from funds available for the use of the Commission shall not exceed the total amount deposited in the Panama Canal Revolving Fund; and