

No. 856

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 the two Governments regarding the status of 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, who may be temporarily present in Panama in connection with the 2005 Fuerzas Aliadas PANAMAX Exercise. PANAMAX will include a total of approximately 2,900 U.S. personnel (900 on shore and 2,000 onboard ships) from U.S. Navy South (NAVSO), the U.S. Army, the U.S. Southern Command (SouthCom) and other military units. The personnel will be temporarily present in Panama for the Fuerzas Aliadas PANAMAX Exercise 2005 from July 15 through August 31, 2005. The U.S. personnel will be in uniform and designated U.S. personnel will carry their regulatory weapons, as authorized. U.S. personnel will bring into Panama aircraft of various descriptions and types, including helicopters, and motor vehicles, boats, and other equipment for the use of Fuerzas Aliadas PANAMAX 2005 exercise participants.

The purpose of the mission, in coordination with the Government of Panama and Fuerzas Aliadas PANAMAX 2005, is to develop a regional capability to defend the Panama Canal by ensuring freedom of navigation and to maintain unrestricted commercial maritime access to the Canal; to demonstrate the operational capabilities and tactical effectiveness of integrated joint/combined/multinational forces; to conduct

operations in an asymmetrical and unconventional threat environment where the potential danger from weapons of mass destruction is high; and to enhance regional cooperation to support maritime security awareness. The Panamanian counterparts are the Ministry of Foreign Relations, the Ministry of Government and Justice, the SMN, SAN, PNP, SPI, the Panama Canal Authority and the National Security Council.

As a result of these discussions, the Embassy proposes that such personnel shall be accorded a status equivalent to that accorded to the administrative and technical staff of the Embassy of the United States of America under the Vienna Convention of Diplomatic Relations of April 18, 1961 (Vienna Convention). The understanding contained in the Embassy's Note. 835 dated July 3, 2001 and the Ministry's reply in Note No. D.M. 0300/2001 dated July 10, 2001, shall apply.

United States personnel shall be permitted to enter and exit Panama with United States identification and with collective movement or individual travel orders, in accordance with an agreement on non-immigrant visas between the United States and Panama, which has been in force since June 1, 1956, as amended, except that the Government of Panama will waive the requirement for tourist cards and related fees. Panamanian authorities shall accept as valid driving licenses or permits issued by the appropriate U.S. authorities to U.S. personnel for operation of vehicles; and such personnel shall be authorized to wear U.S. Government attire (uniforms) and to carry authorized equipment when required for their mission while performing official duties.

The Embassy of the United States further proposes that the Government of Panama accord duty-free importation and exportation, as well as exemption from inspection and taxation of products, services, property, materials, equipment, vehicles,

vessels, and aircraft introduced and/or imported into, acquired in or exported from Panama by or on behalf of the U.S. Government or its personnel, in connection with their mission in Panama; except that United States personnel shall not be exempt from Panamanian taxes on items purchased in Panama for their personal use.

The two Governments shall cooperate in taking the necessary steps to ensure the security of United States personnel and property in Panama.

Vehicles, vessels, and aircraft owned or operated by or for United States Armed Forces shall not be subject to payment of landing or port fees, pilotage charges, navigation, overflight or parking charges or light or harbor dues while in Panama, except for the charges related to the normal transit of the Panama Canal, previously agreed to; however, United States Armed Forces shall pay reasonable charges for services requested and received.

It shall be the responsibility of United States personnel to respect the laws of Panama and to abstain from any activity inconsistent with the spirit of their mission. Authorities of the Government of the United States shall take the necessary steps to that end.

Appropriate Panamanian and U.S. 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 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 in connection with their mission in Panama.

Finally, both governments shall waive any and all claims (other than contractual claims) against each other for personal injury to or death of their military or civilian personnel, or for damage, loss, or destruction of the other's property arising out of activities covered by this agreement. The United States shall pay, in accordance with United States law, fair and reasonable compensation in settlement of meritorious claims by third parties arising out of acts or omissions of United States personnel, or which are otherwise incident to agreed activities by United States personnel in connection with their mission in Panama.

Additional arrangements as may be necessary may be entered into by the appropriate authorities of the two Governments.

The Embassy of the United States of America proposes that this note and the Ministry's reply thereto shall constitute an agreement between the two Governments on this subject and that its provisions shall be in effect as of the date of the Ministry's reply.



Embassy of the United States of America,

Panama, June 23, 2005.



Translation

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

No. DT/162

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. 856 of June 23, 2005, which reads as follows:

[See U.S. Note]

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 on the date of this note.

[Complimentary close]

Panama City, June 24, 2005

[Initialed]

[Official stamp]

Embassy of the United States of America,
Panama City.