

**AGREEMENT No. 3**  
(of November 12, 1998)

“Whereby the Regulation on the Procedure to Revise the Panama Canal  
Tolls Rate and Admeasurement Rules is approved”

**THE BOARD OF DIRECTORS  
OF THE PANAMA CANAL AUTHORITY**

**WHEREAS:**

In accordance with article 18.3 of the Canal Authority Organic Law, one of the functions of the Board of Directors is to establish tolls for the use of the Canal, with the approval of the Cabinet Council;

Article 79 of the aforementioned law prescribes that any revision of the tolls rate or of the admeasurement rules must be subject to a previous consultation and public hearing process, to afford the interested parties an opportunity to participate and to express their opinions and arguments on the subject;

We have received from the Administrator of the Authority the proposed regulation of the procedure to revise the Panama Canal admeasurement rules and tolls rate.

**RESOLVES:**

**ARTICLE:** To approve the following regulation on the procedure to revise the Panama Canal tolls rate and admeasurement rules:

**“REGULATION ON THE PROCEDURE  
TO REVISE THE PANAMA CANAL  
TOLLS RATE AND ADMEASUREMENT RULES”**

**Article 1.** Modifications to the Panama Canal admeasurement rules and the tolls rate shall be subject to a previous consultation and public hearing process, pursuant to this regulation.

**Article 2.** The proposal to revise [the tolls rate and the admeasurement rules] shall be opened to public consultation, and all interested parties may participate. Any proposal must be explained, with the inclusion of all the factors that would have been object of the revision by the Authority, for the effects of its issuance.

**Article 3.** The Authority shall make an official announcement of the proposal by means of its publication in the Panama Canal Register, with at least thirty (30) days in anticipation of the date of the public hearing.

**Article 4.** This Announcement shall contain:

1. The essence of the proposed change;
2. The date, place and procedures for receiving information and opinions, and participation in the hearing;
3. The date in which the interested parties must submit their notice of attendance to the public hearing.

**Article 5.** Following publication of the announcement, the Authority shall make available to the public the explained proposal referred to in Article 2 of this regulation.

**Article 6.** The Board of Directors shall designate a minimum of three of its members to form part of the Committee that shall conduct the process of consultation and hearings, and shall appoint one of its members to chair this Committee.

**Article 7.** The Committee shall apply this regulation, and its functions shall include the following:

1. Conduct the process of consultation and hearings;
2. Request or receive opinions, presentations or additional information;
3. Decide on procedural or similar matters;
4. Dispense with any irrelevant, immaterial, or excessively repetitive material expounded by the parties;
5. Dispense with any participant whose behavior interferes with the process of the hearing.

The Committee should submit to the Board of Directors the complete file of its activities, with the pertinent recommendation.

**Article 8.** The interested parties shall have the opportunity to participate in the process of the admeasurement rules and tolls rate revision by submitting information, opinions, or statements in writing to the Chairman of the Committee, within the time limits established in the announcement.

The opinions, information and oral expositions that this regulation refers to may be in Spanish or English.

**Article 9.** The interested parties that have participated in the process of consultation shall also have the opportunity to participate in the public hearing. The hearing shall be held on the date and place prescribed by the announcement, and the parties in attendance may present additional information in writing on any material they have already incorporated, as well as make any statements or oral presentations concerning the admeasurement rules or the tolls rate, as appropriate.

**Article 10.** The hearing may be attended by the interested parties in person or by their representatives. They must give notice of their attendance in writing to the Chairman of the Committee within the time limits prescribed in the announcement of the hearing, and they must include the following information:

1. The names and addresses of the parties, and the condition under which they attend.
2. The place where they wish to make their presentation, if the hearings are scheduled to be held in more than one place.

**Article 11.** After considering the Committee's conclusions and recommendations, the Authority shall analyze the proposed admeasurement rules or tolls rate, as appropriate. However, in the case of tolls, if the rates proposed during the analysis are higher than the original proposal, the process shall be repeated. This requirement shall apply to any subsequent revision in which higher rates than those contemplated in the previous proposal are proposed.

**Article 12.** Any interested party may have access to the transcript of the presentations made in the hearing, provided they submit previous request thereto, and pay the costs established by the Authority.

**Article 13.** Changes to the tolls rate and admeasurement rules shall become effective on the date determined by the Board of Directors.”

Given in the city of Panama, on November 12, 1998.

TO BE PUBLISHED AND ENFORCED

Jorge E. Ritter

Tomás Paredes

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Minister for Canal Affairs

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Secretary Ad Hoc