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Panama Canal, Size Matters

by LADB Staff

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Personnel from Panama's Ministry of Government and Justice met with counterparts from the US Department of Homeland Security (DHS) on March 23 in Panama.

"We talked about all the security issues that concern both of us: maritime, border, and airport security," Government and Justice Minister Arnulfo Escalona told reporters. He was joined by the director of the Policia Nacional, Carlos Bares, Chief of Security Council and National Defense Ramiro Jarvis, and administrator of the National Maritime Authority Betide Garcia.

But none would tell reporters what specifically they discussed. Nor would DHS director of international affairs Chris Arco, but when pressed, Arco said that at the Panama Canal security was a concern. "I'm unaware of a risk, but it is important to have the ability to detect risks. Panama has an important asset in the canal, which is vital for this country and for the United States." The US is the principal user of the facility; about 14% of all US exports of manufactured goods goes through it. It has long been regarded as militarily indefensible because it is 80 km long.

On April 12, private intelligence agency Stratfor reported that the Bush administration wants Panama to tighten security along the entire length of the trench. The agency pointed out that, if the canal were successfully attacked, the whole of the global economy would suffer. Panama has neither a military nor a security force equal to the task, and a return of US troops to the country is politically out of the question now.

The country abolished its military after the 1990 US invasion that toppled President Manuel Noriega, who is serving a life term in a US federal prison. Nevertheless, Arco has been quoted as saying that the government of President Mireya Moscoso must improve security even though, under the terms of the 1977 Torrijos-Carter Treaties, negotiated during the presidency of Jimmy Carter, the US is responsible for guaranteeing Panama's security. But given the history (see NotiCen, 1999-08-12), the Panamanians would never stand for an armed US military presence.

Not the highest risk, but still a handsome trophy

International shipping and security analysts, according to Stratfor, classify the canal as a medium-risk target for terrorist attack. Among its attractions is that it is symbolic, in the same way the World Trade Center towers were, of US hegemony. But it is not thought to be among the most vulnerable global targets. And, Stratfor says, "Most Islamic groups like al Qaeda have viewed Latin America and the Caribbean region as a tactical and strategic backwater in their war against the United States."

Nevertheless, the agency quotes a "senior national security source" in Moscoso's government as saying that US officials "appear to be concerned" about an attempt on the ditch. The analysis

estimates that an attack on the canal would result in large-scale loss of life only in the case of a hit involving one of the huge cruise ships that daily traverse the canal or an attack on a dam leading to massive flooding. Panamanian officials say the canal is safe. It has never, since its opening in 1914, been subject to attack.

But off the record many in the government agree that it is vulnerable. Within the private sector, a security consultant based in Panama told the intelligence agency, "The Panama Canal is vulnerable to attack along its entire length." Potential soft spots include the systems of locks on both the Atlantic and Pacific sides, electrical generators supplying power for operation of the mechanisms, and the dams that hold fresh water for the locks.

The best way to bag it

The canal is most vulnerable, say experts, to a Trojan-horse attack in which a ship or tanker is rigged to explode within the canal, triggered by a Global Positioning System (GPS) device. The Stratfor report makes special mention that ships have only six inches of clearance in the locks. A large explosion under those circumstances "could damage the structure so badly it would be inoperative for months, if not permanently." The security needs of its major customer are not the canal's only concern.

Seven percent of Panama's GDP flows from the canal. New designs in shipping and increased traffic mean the capacity of the waterway must be increased. A Master Plan for development over the next 25 years will be presented to the Junta Directiva of the Autoridad del Canal de Panama (ACP) for its approval. Work on the plan began in 1997 in conjunction with a program of canal modernization. "This plan will be in its final phase around mid-2004, and by that date some studies will be in their final process; we expect to finish by the end of the year," said architect Francisco J. Miguez, coordinator of the ACP. He said that the plan must include all relevant options, alternatives, and issues, not only security, but also questions of demand, costs, and environment. After the ACP studies the completed plan, it will submit its recommendations to the government, which will then make it public.

The Panamanian Constitution requires that enlarging the canal depends on the approval of the citizenry by referendum (see NotiCen, 2001-11-08). Miguez said at the point at which they begin to seek financing for expansion plans, all studies, projects and projections will be subject to minute scrutiny by prospective investors. He said the Master Plan would encompass more than 150 separate studies, from market projections to social impact.

Among the most important from the US point of view are studies of new concepts in design for the locks that allow ships to be raised and lowered as they move from ocean to ocean. This aspect of the plan is under contract to the US Army Corps of Engineers and a Belgian-French consortium that combines Tractebel Development Engineering, Coyne-et-Bellier, Technum NV, and Compagnie Nationale du Rhone. Independent estimates put the cost of increasing the size of the canal at around US\$8 billion, but that figure is far from certain, since an actual plan still does not exist. "The ACP has no definite number.

First a decision has to be made on what will be the design to follow in the construction process," said Stanley Muschett, director of the ACP's Oficina de Administracion Ejecutiva. Planners and builders are racing against time, because a new generation of container ship waits in the wings. These ships are larger than can be accommodated by the present canal. About 100 of them are on order and slated for delivery in the next three years. The time frame for completion of a canal that will accept them is about five years. At present, the largest vessel allowed through the canal is 230 m in length, 32.2 m in width, and with a capacity of 70,000 tons.

The ACP is also feeling a pinch from campesinos living in the canal basin who are concerned that expansion of the canal includes building dams that will change their lives forever. Miguez said that no decisions have been taken about the specifics of dam and other water-retention infrastructure but the ACP is constitutionally bound to safeguard water resources for future generations. Studies are underway to determine the extent of resources needed for the expansion, the characteristics of the basin, and other data needed to make those decisions.

The canal handles close to 4.5% of the world's seagoing shipping traffic, and over 3% of world trade, in more than 14,000 ships annually. About 40% of that traffic is US commerce.

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