June 28, 2007

Mr. Leroy Jhon Sheffer Chief of International Commercial Negotiations Ministry of Commerce and Industry Republic of Panama

Dear Mr. Sheffer:

I am pleased to confirm my understanding that Article 3.6 (Goods Re-Entered after Repair or Alteration) of the United States – Panama Trade Promotion Agreement between our two Governments signed this day requires the United States to accord duty-free treatment to parts and equipment, regardless of their origin, used to repair a vessel temporarily exported from the United States to Panama for repair when the vessel (together with the parts and equipment) reenters the United States after the repair.

Sincerely,

Everett Eissenstat Assistant U.S. Trade Representative for the Americas