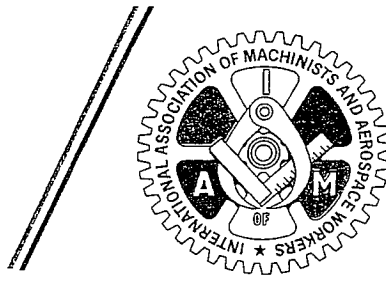


**International  
Association of  
Machinists and  
Aerospace Workers**



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OFFICE OF THE INTERNATIONAL PRESIDENT

GL 2 - Legislative

April 27, 2009

The Honorable Ronald Kirk  
United States Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

Dear Ambassador Kirk,

It was a pleasure to have had the opportunity to discuss with you our views on trade, an issue of critical importance to working families and our Nation, during our recent meeting at the AFL-CIO. I look forward to an ongoing dialogue with you on these matters and want at this time to reiterate our strong opposition to the Panama Free Trade Agreement. Now is not the time for our government to continue the failed trade policies of the past administration. Now is the time to create a new trade policy that serves U.S. workers; not to continue a trade agenda that will result in the further loss of jobs.

We are in the midst of the worst economic recession in over twenty years. Last month, the unemployment rate surged to 8.5 percent, with most experts predicting that it will climb to over 10 percent soon. The newly unemployed will join over four million workers in the manufacturing sector who have lost their jobs in the past decade. IAM members simply cannot accept a trade agreement, like the Panama FTA, that is riddled with so many weaknesses. The fact that it was negotiated by the past Administration—an Administration that cared so little about U.S. workers—deepens our opposition to it.

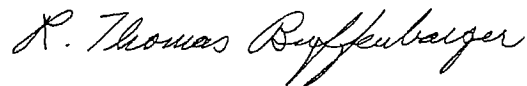
Panama runs second only to Hong Kong as a home for the subsidiaries of multinational corporations, subsidiaries often created for the sole purpose of avoiding taxes in the U.S. The Senate Homeland Security Committee estimates that tax evasion in offshore tax havens costs the U.S. taxpayer \$100 billion a year--depriving us of desperately needed revenue that could fund domestic infrastructure projects and create good paying American jobs.

Further, Panama continues to resist complying with international norms to combat tax evasion and money laundering, and is one of the few countries that refuse to sign any tax information exchange treaties. Consequently, the State Department and the Drug Enforcement Agency have consistently identified Panama's financial sector as a conduit for Colombian and Mexican narco-trafficking funds. Clearly, this is not a country that the U.S. should be extending trade privileges to.

The IAM firmly believes that we must undertake a strategic review of all trade agreements under consideration, like Panama, and past trade agreements, like Peru and NAFTA. This review needs to develop enforceable language to strengthen labor provisions-- including monitoring and compliance; as well as, investment dispute mechanisms, procurement issues, and other weaknesses that are reflected in the Panama FTA and all trade agreements currently in effect.

IAM members have suffered the loss of thousands of jobs due to bad trade agreements, reflected by the out-dated, flawed NAFTA model. Now is the time, as President Obama has stated, for a new day in trade by creating a real and meaningful trade agenda that puts workers first, leads to the actual creation of jobs here at home, and improves the lives of workers around the world. America workers who continue to provide the backbone of our Nation's economy deserve no less.

Sincerely,

A handwritten signature in cursive script that reads "R. Thomas Buffenbarger".

R. Thomas Buffenbarger  
International President

cc: Senate Democratic Leadership  
House Democratic Leadership