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# United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

FRANK G. LOWENSTEIN, STAFF DIRECTOR  
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May 7, 2010

President Barack Obama  
The White House  
Washington, DC 20500

Dear Mr. President:

We are writing to express our support for the timely resolution of outstanding issues related to the US-Korea Free Trade Agreement (KORUS FTA) and for its submission to Congress as soon as possible. Such action would send a powerful signal in support of opening new markets during South Korea's chairmanship of the G-20.

While an overall national consensus on trade issues remains elusive, the KORUS FTA merits our prompt consideration. The KORUS FTA contains the highest standards to date on labor and environmental concerns, and Korea has a strong record in both these areas. The scope of the agreement and the size of both our economies – the world's largest and 14<sup>th</sup> largest in terms of GDP, respectively – are significant enough to create thousands of well-paying jobs and help generate billions in wealth for both countries. The U.S. International Trade Commission estimated in September 2007 that U.S. merchandise exports to Korea would increase by \$10-12 billion annually as a result of the KORUS FTA and that services exports would expand. The potential for innovation through competition and collaboration is also immense.

Through inaction, the United States will cede Korea's vast markets to other countries, a luxury that we cannot afford. In 2004, China displaced the United States as Korea's number one trading partner. Recently, the European Union and India signed agreements with South Korea to lower trade barriers. As these countries effectively gain preferential access compared to American products, the United States risks missing significant opportunities, while other countries' economies grow and create jobs from trade expansion.

Submission of the agreement to Congress also would be considered a significant show of solidarity with a close and reliable ally. Korea, with its vibrant democracy, open markets, high-tech economy, well-educated people, and ever-expanding people-to-people ties with the United States, is a remarkable success story. That success reflects a common commitment to defense, U.S. assistance since the Korean War to help develop Korea's economy, and our close diplomatic cooperation to achieve a nuclear-weapons free North Korea and a safe, prosperous future for the region. Korea hosts the only substantial U.S. troop presence in mainland East Asia, and it increasingly has the capability and will to make significant contributions to regional and global issues that implicate U.S. security, economic, and human rights concerns.

Finally, renewed interest in the KORUS FTA could provide a strong incentive for our friends in Korea to redouble their cooperation in addressing pending trade-related impediments that significantly affect the United States. As you know, the Korean government has not yet ensured that U.S. beef exporters have access to Korea's markets in accordance with international standards, and Korea's history of non-tariff barriers to its automotive sector also raises serious concerns. A renewed commitment to move on the KORUS FTA will create an atmosphere more conducive to resolution of these issues.

We stand ready to work with you and our colleagues to bring these issues to a prompt resolution.



Richard Lugar  
Ranking Member

Sincerely,



John Kerry  
Chairman