

Congress of the United States
Washington, DC 20515

September 15, 2009

Mr. Ron Kirk, U.S. Trade Representative
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

RE: Docket Number USTR-2009-0020

Dear Ambassador Kirk:

You have requested comment on how a free trade agreement (FTA) with South Korea will affect trade in goods and services between the United States and South Korea, focusing on the economic costs and benefits to U.S. workers, farmers, ranchers, and consumers.

We are opposed to the Bush-negotiated FTA with South Korea in its current form. We believe that this North American Free Trade Agreement (NAFTA)-style agreement would allow South Korean corporations to sue the United States if American health and safety laws affect their ability to make a profit, jeopardizing the sovereignty of the United States. We must not allow foreign entities to interfere with the laws of our country.

In its current form, this pact with South Korea includes major financial service sector deregulation and liberalization provisions that contradict international and domestic efforts to re-regulate this volatile sector. Particularly during this time of global financial crisis, the U.S. cannot afford to risk financial security.

This agreement would also have a significant negative impact on the U.S. automotive industry. Currently, South Korea exports 700,000 cars to the United States while allowing only 4,000 American cars to be sold in South Korea. The problem is not tariffs but non-tariff barriers. The barriers used by the South Korean government to discourage the purchasing of imported vehicles include the threat of tax audits, accusations of being "unpatriotic," and cascading tax penalties. In 2006, the U.S. had an \$11.6 billion auto trade deficit with South Korea. In fact, South Korean auto companies have already begun to examine plans to export pickup trucks to the U.S. to take advantage of a U.S. ten-year phase out of the 25 percent light truck tariff. In future years, if the FTA with South Korea in its current form is enacted, the U.S. auto trade deficit with South Korea will only worsen.

In your Senate confirmation hearing, you stated that an agreement with South Korea offered one of the biggest opportunities we have to expand U.S. sales abroad, and that "the failure to create a basis to move the agreement forward constitutes a major missed opportunity." You also stated, however, that the agreement as is simply is not fair and that you "are prepared to step away from [it]" if it is not reworked.

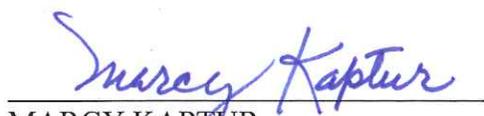
Among the great challenges our nation faces is creating new trade and globalization policies that serve America's workers, consumers, farmers, and firms. A unique opportunity exists for the Legislative and Executive branches to work in partnership to modernize U.S. trade policies to ensure that Americans enjoy the benefits of expanded trade.

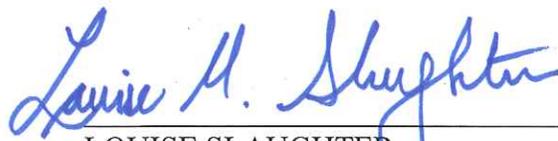
Future trade agreements must address the needs of not just the business community, but of all Americans. We would be pleased to work with you to revise the South Korea FTA in ways that will expand markets to U.S. producers without harming working families, the environment, or efforts to stabilize financial markets in either country.

Sincerely,


MICHAEL MICHAUD
Member of Congress


BETTY SUTTON
Member of Congress


MARCY KAPTUR
Member of Congress


LOUISE SLAUGHTER
Member of Congress


PHIL HARE
Member of Congress