

MEMORANDUM

To: Reporters and editors
From: Dan Virkstis for Senate Finance Committee Chairman Max Baucus (D-Mont.)
Jill Gerber for Senate Finance Ranking Member Chuck Grassley (R-Iowa)
Re: Baucus, Grassley letter to President Obama regarding Korea FTA

Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa) sent the below letter to President Obama today regarding consideration of the U.S.-Korea Free Trade Agreement. The Finance Committee has jurisdiction over all international trade matters.

Full text of the letter follows here:

April 20, 2009

The President
The White House
Washington, D.C. 20500

Dear Mr. President,

North Korea's April 5 launch of a three-stage Taepo-dong 2 missile and recent statements that it will resume its nuclear program demonstrate yet again the threat that North Korea poses in the northeast Asian region. These are only the latest in a long history of provocative actions.

In the face of this threat, it is vital that the United States maintain and expand its strong and proven partnership with the Republic of Korea. Korea has been a critical partner of the United States throughout decades of evolving political and economic circumstances. We are certain that Korea will remain a steadfast ally in the future. We hope that your recent meeting in London with Korean President Lee Myung-bak was the first of many, and we look forward to President Lee's visit to Washington in June.

As the United States and Korea seek to defuse security threats for the sake of our nations' safety, so too must we work to resolve bilateral economic issues for the sake of our common prosperity. The issues are complex, and they may not be easy to resolve. Yet their very complexity, as well as their potential rewards, demands we begin our work without delay and persist as long as necessary.

The greatest challenge and opportunity in our bilateral economic relationship is the pending U.S.-Korea Free Trade Agreement (FTA). We have long supported a bilateral trade agreement with Korea, and we strongly believe an agreement would provide tremendous benefits to American workers, farmers, and ranchers. Korea is already our seventh largest trading partner, our fifth largest agriculture export market, and our eighth largest market for goods exports. A

U.S.-Korea FTA would not only secure American exporters broad access to a dynamic economy, but it would also anchor our economic presence in Asia.

Clearly, there is further work to be done if Congress is to support the agreement. In particular, Korea has yet to ensure U.S. beef exporters full access to its market in accordance with international standards. Korea's long history of non-tariff barriers to its autos sector also raises serious concerns with some regarding the agreement. Postponing addressing such issues will not make them easier to resolve.

We understand that other trade initiatives, including trade agreements with Panama and Colombia, will likely be next in line for Congressional consideration. We look forward to working with you on these agreements in the coming months. At the same time, we also urge you to begin the hard work of winning broad approval of the U.S.-Korea FTA without delay. We offer you our full support in these efforts, and we look forward to considering and approving an agreement that strengthens our important alliance, helps our economies grow stronger, and leaves our workers, farmers, and ranchers more prosperous.

Respectfully yours,

Max Baucus

Charles E. Grassley