



ASIA-PACIFIC COUNCIL OF AMERICAN CHAMBERS OF COMMERCE

September 15, 2009

Ms. Carmen Suro-Bredie
Assistant U.S. Trade Representative for
Trade Policy Coordination
Office of the U.S. Trade Representative
600 17th Street N.W.
Washington, D.C. 20508

**Re: Request for Comments Concerning Free Trade Agreement With the Republic of Korea
[Docket No. USTR-2009-0020]**

Dear Ms. Suro-Bredie:

Thank you for the opportunity to comment on the U.S.-Korea Free Trade Agreement (KORUS FTA). The Asia-Pacific Council of American Chambers of Commerce (APCAC) strongly supports the early passage of this agreement.

APCAC consists of twenty-seven American Chambers of Commerce that operate throughout broader Asia (Australia, Bangladesh, China, Guam, Hong Kong, India, Indonesia, Israel, Japan, Korea, Macau, Malaysia, New Zealand, Pakistan, Philippines, Saipan, American Samoa, Singapore, Sri Lanka, Taipei, Thailand, and Vietnam). This particular collection of American Chambers of Commerce represents the growing interests of over 10,000 businesses and 50,000 executives. Additionally, these businessmen and women manage the make-up of trade volumes in excess of USD \$400 billion and foreign direct investments of nearly USD \$300 billion.

Asia-Pacific and the United States are inextricably connected by historical ties and common security interests as well as by intricate patterns of cross-border and trans-Pacific movement of people, data, goods, services, and capital. The Asia-Pacific region is the destination of 60% of U.S. exports. The region accounts for 60% of the world's GDP and 50% of global trade, even though it contains only 40% of the world's population. More than fifty-seven million Americans work for companies that benefit from exports, according to the U.S. Treasury. Leveraging these dense and powerful connections is one of the most effective ways to stimulate growth and restore confidence in the U.S. and in Asia-Pacific.

APCAC believes that the U.S. government's Asian trade policy can best strengthen the American economy by supporting the private sector with trade and investment initiatives oriented toward partnership with the region. The acceleration of regional integration to create larger, more open markets is one of the best ways to stimulate growth in Asia and the U.S. The U.S. gains from Asian prosperity.

To give an idea of the breadth of U.S. companies that will benefit from the KORUS FTA, the following are a few more industry-specific examples of how the FTA will benefit U.S. companies from different industries.

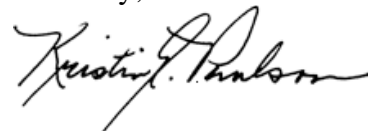
One of the challenges for U.S. manufacturing companies has been full market access to a market rich with domestic competitors. For many years, non-tariff “irritants” have frustrated efforts to fully participate in the Korean market. The KORUS FTA would remedy that problem by ensuring that Korean standards adhere to global standards, which will be more cost effective in the long run for all manufacturers to adopt and will level the playing field for domestic and foreign producers. The FTA also would provide protections to ensure that the Korean market remains open to remanufactured products made in the U.S.

In the area of financial services, under the agreement U.S. financial institutions will gain the right to 100% ownership; extensive rights to establish in a legal form that best suits their business model; full rights to establish or acquire financial institutions in Korea; the opportunity to establish branches of U.S. banks, insurance companies, and asset managers; rights to supply cross-border a specified list of financial services, including portfolio management services for investment funds in Korea; and the ability to freely transfer customer data into and out of Korea. The FTA also commits Korea to ensuring regulatory reforms, such as increased allowance of foreign currency reserves, bank assurance reform, more regularized and transparent regulatory procedures, adoption of a negative list approach to financial sector regulation, and regional integration of data processing.

In 2009, Korea has been at the epicenter of much of the Asian capital markets and mergers and acquisitions legal work. One direct consequence of the KORUS FTA has been the assumption that U.S. and global law firms with a U.S. presence would be able to open law offices in Korea and give foreign legal advice. The Korean bar has made clear that if the KORUS FTA is implemented, U.S. law firms will be allowed to open foreign legal services offices throughout Korea.

The guiding objectives for USTR should be promotion of open markets and national treatment, negotiation of high standard free trade agreements and bilateral investment treaties, and WTO-consistent trade enforcement. The U.S.-Korea FTA stands as a “gold standard” model FTA in this regard. Korea has already negotiated a free trade agreement with Europe and continues to pursue open trade with its neighbors. If the U.S. does not act soon, it will substantially lose competitiveness in the Korean market. APCAC strongly supports and urges Congressional ratification of the U.S.-Korea Free Trade Agreement in as early a timeframe as is possible. Doing so would materially improve access to a large market, and is the most commercially relevant opportunity available to stimulate U.S. exports and employment across virtually all sectors of the U.S. economy.

Sincerely,



Kristin Paulson
Chair
Asia-Pacific Council of American
Chambers of Commerce