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The United States-South Korea Free Trade Agreement (KORUS) is a critical step forward for American job creation and ensuring U.S. economic competitiveness in Asia. This trade agreement is also an important investment in the overall U.S.-South Korea alliance at a time when heightened tension on the Korean peninsula requires our solidarity with our allies in the south and it will be a strong manifestation of the U.S. commitment to remain a major presence in Asia. I urge Congress to work toward passage of KORUS as soon as possible.

Sixty years ago, the United States stood with the Republic of Korea in countering aggression from the communist North. That bloody conflict, which cost the lives of more than 35,000 Americans, has yet to result in a permanent peace. North Korea continues to challenge the world through its nuclear weapons programs and its recent attacks on the South have reminded us of the military threat and raised deep concerns in Northeast Asia. The Korean Peninsula remains a dangerous place. However, there has been a spectacular success story amidst ongoing tensions. South Korea has risen to become the world's 14th largest economy, a vibrant democracy, and a valued ally for the United States in a critical region. It is currently America's 7th largest trading partner and 7th largest export market.

The economic arguments for KORUS are compelling. The most economically significant trade agreement (FTA) negotiated by the United States in over 15 years, KORUS would boost U.S. goods exports by up to \$11 billion dollars and U.S. GDP by nearly \$12 billion, according to the independent, nonpartisan U.S. International Trade Commission. The agreement would create as many as 70,000 new jobs for Americans at a time when we most need them.

It is important to bear in mind that KORUS offers an opportunity to level the playing field with a trading partner whose market has historically been less open than ours. Currently, Korea's average duty on industrial and consumer goods is more than double that of the U.S., and its average duty on agriculture is more than four times that of the U.S. Looking at these differences, it is clear that the U.S. will be in a better position across the board to benefit from the market opening that will flow from KORUS. Ninety-five percent of bilateral trade in industrial and consumer products will become duty free in three years and nearly two-thirds of U.S. agricultural exports—everything from feed corn, to frozen French fries, to fine wines—will enter Korea duty-free as soon as KORUS comes into effect. In addition, KORUS will establish a fair and transparent legal framework for U.S. investors in Korea, and benefit U.S. exporters in telecommunications, financial, pharmaceutical, and other sectors where U.S. companies are on

the cutting edge. Koreans see KORUS as a means to make its economy more open, and that is very much in the U.S. interest.

More broadly, moving ahead with KORUS will be a concrete demonstration that the United States is prepared to lead on trade in Asia, a signal that all of our partners in the region want to see. We cannot afford to wait on the sidelines while the region pursues agreements that leave us out. The economies of Asia are in the process of integration and are now trading more with each other than they are with the United States. Bilateral and regional free trade agreements are proliferating, and the ROK is in the vanguard. Less than a decade ago, the United States was by far South Korea's leading trading partner. Now, we are competing with the European Union for third place, after China and Japan. With South Korea set to implement an FTA with the European Union in July, we can expect to fall to fourth place, and American farmers, manufacturers, and service providers will be the losers.

KORUS will give us special access to the Korean market, enhancing our ability to compete with China, Japan and India, and Europe, even as it strengthens Korea's ties to the U.S. KORUS may also provoke wider liberalization. Approval of KORUS will lend impetus to the effort to develop the Trans-Pacific Partnership. And Asia's third largest economy, Japan, may feel compelled to seek a similar agreement. This, too, would be great for America, provided Japan agrees to open its markets to the same degree Korea will under KORUS.

But the economic benefits of KORUS are just part of the equation. Strategic interests are also overwhelming at a time when the U.S. is dealing with a host of new security threats, including North Korea's nuclear weapons program, this free trade agreement will strengthen our strategic partnership with an important Asian ally that shares our belief in democracy and has stepped up to the plate with significant military and economic support in the Middle East and Afghanistan. While creating new American jobs, KORUS will reinforce the full partnership we have with South Korea at a time when that country is playing a growing international role. Furthermore, KORUS will have positive strategic effects that will resonate beyond the Korean peninsula. One of South Korea's primary goals in seeking the Free Trade Agreement with the U.S. is to broaden and strengthen its relationship with its ally at a time when China's rapid rise has provoked significant changes in power relationships in Asia. We strongly share the Republic of Korea's interest in solidifying and broadening this critical alliance. A failure to approve KORUS would be exactly the wrong signal to North Korea and to our allies and friends in Asia who want us to remain strongly engaged. The agreement with South Korea will stand as a new anchor for our longstanding leadership position in a rapidly changing Asia.

For more than fifty years, the United States' political and economic commitment to Asia has contributed to the region's stability and prosperity. Nowhere has our engagement been more positive than with the Republic of Korea, which, with our help, rose from the ruins of the Korean War to become a vibrant democracy and one of the largest economies in the world. Americans and South Koreans shared blood together to prevent a communist takeover of the entire

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Peninsula 60 years ago. We still stand together in facing the many challenges from the North. Republic of Korea Forces stood with us when we needed them in Vietnam and continue to support our common interests in today's military conflicts. The FTA with Korea will strengthen America's relationship with a long-time ally and enhance our presence and influence in the region.

I am convinced that America, for its own sake, must remain a leader in Asia. Ratification of this agreement is one way of ensuring that our engagement with the world's fastest growing region will support our fundamental security and economic interests into the future.

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