

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

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C. THOMAS KEEGEL
General Secretary-Treasurer

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March 17, 2011

United States House of Representatives
Washington, DC 20210

Dear Representative:

On behalf of the 1.4 million men and women of the International Brotherhood of Teamsters, I am writing to urge you to oppose the pending U.S. - South Korea Free Trade Agreement (FTA). This trade agreement will result in an increased U.S. trade deficit and continue along the disastrous path of previous NAFTA-style trade agreements.

At a time of record high unemployment, the U.S. must develop a new framework and policy on trade that will protect U.S. jobs and grow the economy. While trade agreements since NAFTA have benefited other countries, they have resulted in millions of jobs lost in our manufacturing sector. Our deficit under NAFTA with Canada and Mexico is more than \$94 billion. Our overall trade deficit with other countries is further widening. For example, the Commerce Department recently announced that the U.S. trade deficit has increased \$6.1 billion since December 2010.

The Economic Policy Institute estimates that 159,000 jobs will be lost in this country, if the South Korea FTA is enacted. The International Trade Commission estimates that the trade deficit will increase in seven high-paying sectors under this agreement. It is clear that pursuing the South Korea FTA would further increase our trade deficit.

In addition, there are many flaws in the text of this agreement. The agreement does not contain strong provisions that support labor rights. The South Korea FTA forbids reference to the International Labor Organization (ILO) conventions, which leaves workers open to exploitation.

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The investment chapter would give South Korean investors rights to challenge U.S. laws, regulations, and even court decisions in international tribunals that circumvent the U.S. judicial system. The agreement includes provisions that encourage financial deregulation, which undermines the recently passed Frank-Dodd Act.

South Korea is one of three countries that the U.S. Department of Treasury lists as a currency manipulator. However, there are no provisions within the agreement to address South Korea's chronic currency manipulation practices. Without such a safeguard, certain industries are left vulnerable and unable to be competitive against South Korean companies. Any potential benefit to exports would be mitigated if South Korea undervalues its currency.

Furthermore, the agreement lacks assurances that products assembled in South Korea would not contain parts from North Korea's Kaesong Industrial Complex. Under the South Korea FTA's rules of origin this would be allowed.

The South Korea FTA will further harm our economy, put workers at a disadvantage, and place national security at risk. I urge you to support U.S. workers and protect the economy by voting against the South Korea FTA. If you have any further questions, please contact Lisa P. Kinard, Direct of Federal Legislation and Regulation, at (202) 624-6890.

Sincerely,



James P. Hoffa
General President