

# Obama to discuss with President Lee timetable for Korea FTA's ratification: White House

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WASHINGTON -- U.S. President Barack Obama will discuss the timetable for the ratification of the pending free trade deal with South Korea when he visits Seoul next week, a senior aid to Obama said Saturday.

"I think the president mentioned in his speech that he looked forward to working with our South Korean friends to address the outstanding issues so that we could move forward a trade agreement with them," Michael Froman, deputy national security advisor for international economic affairs, told reporters in Tokyo, according to a transcript released by the White House.

"That will be, I'm sure, part of the discussion with the South Koreans both in APEC and when we're in Seoul early next week, including with regard to the timetable," he said.

Froman was referring to the remarks Obama made in a major Asia policy speech earlier in the day in Tokyo where he stopped on the first leg of his four-nation Asian tour that will also bring him to Singapore, Beijing and Seoul.

"Together, with our South Korean friends, we will work through the issues necessary to move forward on a trade agreement with them," Obama said.

In the speech, Obama also committed himself to "working towards an ambitious and balanced Doha agreement -- not any agreement, but an agreement that will open up markets and increase exports around the world."

The Doha Round multilateral trade negotiations have stalled for years due to differing positions between members of the World Trade Organization to reduce trade barriers, since the first meeting was held in the capital of Qatar in 2001.

Obama's remarks come amid simmering complaints from U.S. trading partners over the rising protectionist sentiments in the Obama administration as well as the Democratic Congress, which has been reluctant to move ahead with the full implementation of the North American Free Trade Agreement effectuated in 1994 and ratify the FTAs with South Korea, Colombia and Panama pending for more than two years.

Democrats fear a backlash from trade unions which are concerned about possible job cuts amid

the worst recession in decades, while proponents say the congressional approval of the deals will help boost the struggling U.S. economy.

Speaking to a meeting of trade ministers in Singapore ahead of the Asia Pacific Economic Cooperation summit Sunday, U.S. Trade Representative Ron Kirk pledged "close consultation with the United States Congress and with stakeholders at home" to "break down long-standing barriers to trade and investments as well as newer impediments that obstruct trade and slow economic integration in the Asia-Pacific."

U.S. Chamber of Commerce President, Thomas J. Donohue, welcomed the Obama administration's pledge to move ahead with free trade.

"We applaud both President Obama and Ambassador Kirk for speaking positively about the Doha and the Trans-Pacific Partnership, as well as the president's comments about the U.S.-Korean FTA," Donohue said in a statement "Words must now be matched by actions. Expanding exports are our best ticket for creating jobs, reducing deficits, and restoring prosperity. The rest of the world is not standing around waiting for the United States."

Donohue was speaking about South Korea and other U.S. trading partners moving to forge their own free trade agreements while Obama is dragging his feet.

South Korea recently initialed a free trade deal with the European Union, anticipating its implementation in mid-2010.

Seoul has also ratified a free trade pact with India and is seeking similar agreements with China, Japan, Canada, Australia, the Association of Southeast Asian Nations, and several other nations.

The U.S. Chamber of Commerce last week said that "the U.S. could suffer a net loss of nearly 350,000 jobs, US\$35 billion in export sales, and \$40 billion in GDP if it fails to implement its pending trade agreement with Korea while the European Union moves ahead with its own agreement with Korea."

Autos and beef have been major hurdles to congressional approval of the Korea FTA.

U.S. officials have said they favor side agreements to address the issues rather than revising the text of the deal itself.

Jeffrey Bader, senior director for East Asian affairs at the National Security Council, said last week that Obama needs to take political consideration in submitting the deal to Congress for approval.

"We want to ensure that the Korea FTA does provide access for U.S. automobiles to the Korean market," he said. "But the timing of when this can be done and what is politically seizable are very political."

Kirk said last week that his office was "developing proposals that will enable us to address concerns

with respect to automotive trade."

"All we are asking for is for our own auto companies to be able to compete on a level playing field in the Korean market," he said. "We are also looking at concerns with respect to agricultural products more broadly to see how they can be addressed most effectively."

While meeting with South Korean President Lee Myung-bak in June, Obama agreed to make efforts to "chart a way forward," and said he will seek the appropriate "political timing" for the submission of the Korea FTA to Congress "once we have resolved some of the substantive issues."

South Korean Ambassador Han Duck-soo recently called on Congress to approve by next summer the Korea FTA, the largest for the U.S. since the NAFTA took effect in 1994, fearing that failure to do so could push the ratification back to after 2011, owing to Congressional elections next November.

Han asserted that the implementation of the deal with South Korea, the seventh biggest trading partner for the U.S., "will create 240,000 new jobs for the U.S. and increase U.S. gross domestic product by up to \$11 billion."

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