

111TH CONGRESS
1ST SESSION

H. RES. 934

Calling on the Government of the Republic of Korea to end unfair trade practices as such practices relate to the automotive industry, expressing the sense of the House of Representatives that it should take into account such unfair trade practices of the Republic of Korea when the House of Representatives considers the United States-Korea Free Trade Agreement, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2009

Mr. DINGELL submitted the following resolution; which was referred to the
Committee on Ways and Means

RESOLUTION

Calling on the Government of the Republic of Korea to end unfair trade practices as such practices relate to the automotive industry, expressing the sense of the House of Representatives that it should take into account such unfair trade practices of the Republic of Korea when the House of Representatives considers the United States-Korea Free Trade Agreement, and for other purposes.

Whereas the Organization for Economic Cooperation and Development (OECD) estimates the Republic of Korea's automobile import rate to be 3.6 percent, the lowest of the 30 members of the OECD;

Whereas the market share of foreign automobile manufacturers in the Republic of Korea has decreased from 5.3 percent in 2008 to 4.5 percent in the first seven months of 2009;

Whereas the Republic of Korea's recently instituted vehicle fleet modernization program has perpetuated the discriminatory treatment faced by foreign automakers in the Republic of Korea and coincides with the decline in their market share there;

Whereas vehicles manufactured by Korean manufacturers ranked among the 10 best-selling vehicles in the United States Consumer Assistance to Recycle and Save (CARS) program;

Whereas the Republic of Korea exports more than 70 percent of its total auto production to the United States and the rest of the world;

Whereas in 2008, the Republic of Korea exported 616,000 cars and light trucks to the United States but imported just 10,377 cars and light trucks from the United States;

Whereas 78 percent of the United States 2008 deficit with the Republic of Korea, which amounted to \$13,400,000,000, is constituted by trade in automobiles, trucks, and parts;

Whereas the current draft of the United States-Korea Free Trade Agreement has not been amended to include the March 7, 2007, Congressional Auto Caucus proposal, which will ensure fair access to the Republic of Korea's automobile market by United States manufacturers;

Whereas, in an October 5, 2009, Financial Times article, Ahn Byung-chan, director-general of the Bank of Korea, was quoted as saying, "If the symptoms behind the trend

[of won appreciation] do not improve, we will come up with necessary measures with the government,” thereby implying the intent of the Government of the Republic of Korea to engage in currency manipulation;

Whereas, an October 12, 2009, Bloomberg article reported the Government of the Republic of Korea would “take steps to stabilize the drastic won movements stemming from herd behavior,” thus underlining its recent actions to halt the rise of the Korean won relative to the United States dollar; and

Whereas continued intervention by the Republic of Korea in foreign exchange markets to halt the rise in value of the Korean won will likely result in further market share gains by Korean manufacturers in the United States automobile market: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) calls on the Government of the Republic of
3 Korea to end unfair trade practices as such practices
4 relate to the automotive industry;

5 (2) should take into account the unfair trade
6 practices of the Republic of Korea as such practices
7 relate to the automotive industry when the House of
8 Representatives considers the United States-Korea
9 Free Trade Agreement; and

10 (3) demands that the United States-Korea Free
11 Trade Agreement be amended to include the March
12 7, 2007, Congressional Auto Caucus proposal to en-

- 1 sure fair access to the Republic of Korea's auto-
- 2 mobile market by United States manufacturers.

