

# KORUS Withdrawal Threat Opposed by Congress, Private Sector

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Dissatisfied with the inability of high-level talks in August between U.S. Trade Representative Robert Lighthizer and South Korean Trade Minister Kim Hyung-chong to set a clear path forward on renegotiating the 2011 Korea-U.S. trade pact – and frustrated with Korean negotiators counter-request for a study of factors contributing to the U.S. bilateral goods trade deficit – the Trump White House recently signaled it was considering pulling out of the six-year old deal.

News of the KORUS withdrawal threat was met with swift disapproval from congressional and business stakeholders, critical both of the substantive reasoning and tactical timing of the reported action, which came on the heels of possible nuclear escalation and increased hostilities on the Korean peninsula after North Korea's test of what experts believe to be a hydrogen bomb.

The U.S. Chamber of Commerce issued a [statement](#) of strong opposition noting “{t}here are better ways to assess an agreement's success than by the trade balance, and there are better ways to address an agreement's perceived shortcomings in enforcement than to withdraw from it entirely.” The Chamber also pointed out the importance of geopolitical-related trade benefits, warning that “withdrawal [from the agreement] would alienate one of our strongest international allies, jeopardizing national security at a time of crisis on the Korean peninsula.”

Prominent trade leaders echoed a similar sentiment, opposing unilateral withdrawal and placing considerable value on robust security allegiances. In a [joint statement](#), House Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking Member Richard Neal (D-MA), along with Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) emphasized “North Korea's latest nuclear test underscores yet again the vital importance of the strong alliance between the United States and South Korea. The U.S.-South Korea agreement, negotiated under two presidents and approved by Congress, is a central element of that alliance.” While the statement acknowledges areas where KORUS can be improved, the members also stress that withdrawal from the agreement would neither be effective nor constructive and urge both sides to proceed with bilateral negotiations.

According to recent reports, the White House appears to have backed-off its threat for the time being, but there have been no official statements on the President's or USTR's position. And while the Administration is on constructive notice of Congressional trade leaders' views and authority, it remains to be seen whether it will heed that perspective as KORUS discussions continue. Kelley Drye will continue to monitor developments as renegotiation efforts move forward.