



The Korea Free Trade Agreement and Oregon's Sovereignty

On June 26, 2010, President Obama announced plans to move forward with the Korea Free Trade Agreement — a trade deal that was negotiated and signed by President Bush three years ago, but which the Bush administration was never able to get through Congress.

The proposed pact with South Korea is the largest free trade agreement since NAFTA itself, and represents a reversal of President Obama's campaign pledge to support a new model for international trade.

One of many concerns about the Korea FTA is the impact it will have on Oregon's sovereignty.

The Korea FTA Would Award Special Rights to Foreign Investors

The Korea FTA would provide South Korean firms operating in the United States with the special right to challenge in international tribunals any U.S. laws, regulations and court decisions that negatively effect their profit-making potential. These extraordinary investor rights do not exist for American firms or American citizens, and can be utilized even when the public policies being challenged apply equally to South Korean and domestic enterprises. Policies enacted at the federal, state and local level, and those by quasi-governmental organizations, are all subject to challenge.

Oregon Public Interest Policies Would Be in Jeopardy

Oregon's strict land-use laws would be in jeopardy were the Korea FTA to pass, as would a host of other public interest policies designed to protect consumers, the environment, public health and worker rights. Policies challenged in other states and other countries under similar investor rights provisions have already been used to attack mining laws, toxics regulations, food safety regulations, drug laws, gambling laws and even public postal services.

South Korea Has Significant Investments in Oregon and the U.S.

Should the Korea FTA pass, South Korea will become only the second capital-exporting country with which the U.S. has entered into such an agreement on investment. Unlike businesses based in Central American and Caribbean nations party to CAFTA, South Korean firms have significant investments in the United States. There are roughly 135 Korean corporations operating at more than 200 locations across the United States. South Korean companies have owned a variety of businesses in Oregon in recent years, including a semiconductor plant, an animal feed processor and a shipping company. These businesses would be granted special rights under the Korea FTA.

For more information, contact the Oregon Fair Trade Campaign at (503) 736-9777 or info@oregonfairtrade.org.