

APR 6 2018  
OFFICE OF THE SECRETARY  
U.S. INTERNATIONAL TRADE COMMISSION



THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON

April 6, 2018

The Honorable Rhonda Schmittlein  
Chairman  
United States International Trade Commission  
500 E St. SW  
Washington, DC 20436

DOCKET NUMBER
3307
Office of the Secretary Int'l Trade Commission

Dear Chairman Schmittlein:

Chapter 2 and Annex 2-B of the United States – Korea Free Trade Agreement (FTA) set out the schedule for the elimination of customs duties on certain goods. The February 10, 2011, exchange of letters between the United States and Korea further specified duty rates on certain motor vehicles. Proclamation 8783 of March 6, 2012, modified the Harmonized Tariff Schedule to provide preferential tariff treatment to originating goods of Korea, including for certain motor vehicles.

Section 201(b) of the United States – Korea Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such tariff modifications as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Korea provided for by the FTA. One of the requirements set out in section 104 is that the President obtain advice regarding the proposed action from the U.S. International Trade Commission.

Our negotiators have recently reached an agreement in principle with representatives of the government of Korea on modifications to the FTA regarding the staging of duty treatment for certain motor vehicles. These modifications are reflected in the enclosure.

Under authority delegated by the President, and pursuant to section 104 of the Act, I request that the Commission provide advice on the probable economic effect of the modifications reflected in the enclosed proposal on U.S. trade under the FTA and on domestic producers of the affected articles. I request that the Commission provide this advice at the earliest possible date, but no later than eight weeks from the date of delivery of this request. The Commission should issue, as soon as possible thereafter, a public version of its report with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely yours,

A handwritten signature in black ink, reading "Robert E. Lighthizer". The signature is written in a cursive style with a large, prominent "R" and "L".

Ambassador Robert E. Lighthizer  
United States Trade Representative

Enclosure

**List of Proposed Subheadings for which the United States May Maintain the Duties for  
Qualifying Goods<sup>1</sup> from Korea**

<b>HTSUS Number</b>	<b>Product Description</b>
8704.21.00	Motor vehicles for transport of goods, with compression-ignition internal combustion piston engine, with a G.V.W. not exceeding 5 metric tons
8704.22.50	Motor vehicles for transport of goods (other than cab chassis), with compression-ignition internal combustion piston engine, with a G.V.W. exceeding 5 metric tons but not exceeding 20 metric tons
8704.23.00	Motor vehicles for transport of goods, with compression-ignition internal combustion piston engine, with a G.V.W. exceeding 20 metric tons
8704.31.00	Motor vehicles for transport of goods, with spark-ignition internal combustion piston engine, with G.V.W. not exceeding 5 metric tons
8704.32.00	Motor vehicles for transport of goods, with spark-ignition internal combustion piston engine, with G.V.W. exceeding 5 metric tons
8704.90.00	Motor vehicles for transport of goods, other than with compression-ignition or spark-ignition internal combustion piston engine, not elsewhere specified or indicated

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<sup>1</sup> The duties shall remain at base rates during years one through 29, and such goods shall be duty-free, effective January 1 of year 30 (January 1, 2041).