PROTOCOL
BETWEEN
THE GOVERNMENT OF THE
UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE
REPUBLIC OF KOREA
AMENDING
THE FREE TRADE AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA

The Government of the United States of America (United States) and the Government of the Republic of Korea (Korea), the Parties to the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement), acting in accordance with Article 24.2 (Amendments) of the Agreement, have agreed as follows:

1. Paragraph 3 of the General Notes of the Tariff Schedule of the United States is amended as follows:

   (a) by striking “R and S” and replacing it with “R, S, and AA”;

   (b) by striking “and” after the semicolon in subparagraph (a), and by striking “.” at the end of subparagraph (b) and replacing it with “; and”; and

   (c) by inserting the following subparagraph after subparagraph (b):

       “(c) duties on originating goods provided for in the items in staging category AA shall remain at base rates during years one through 29, and such goods shall be duty-free, effective January 1 of year 30.”.

2. The Tariff Schedule of the United States to Annex 2-B, as it pertains to tariff items 87042100, 87042250, 87042300, 87043100, 87043200, and 87049000, in the “Staging Category” column, is amended by striking “G” and replacing it with “AA”.

3. Chapter Ten (Trade Remedies) is amended as follows:

   (a) in Article 10.7, by striking paragraph number “1.” and replacing it with “2.”, striking paragraph number “2.” and replacing it with “3.”, striking paragraph number “3.” and replacing it with “4.”, striking paragraph number “4.” and replacing it with “5.”, and inserting the following paragraph before renumbered paragraph 2:

       “1. The Parties recognize the right to apply trade remedy measures consistent with Article VI of the GATT 1994, the AD Agreement, and the SCM Agreement, and the importance of promoting transparency in antidumping and countervailing
duty proceedings and of ensuring the opportunity of all interested parties to participate meaningfully in such proceedings.”;

(b) in Article 10.7, by inserting the following paragraphs after renumbered paragraph 5:

“Transparency and Due Process

6. In any segment of a proceeding in which an investigating authority of a Party determines to conduct an in-person verification of information provided by a responding party and pertinent to the calculation of an antidumping duty margin or the level of a countervailable subsidy, the investigating authority shall promptly notify the responding party of its intent to do so, and normally shall:

(a) provide the responding party advance notice of the dates on which the investigating authority intends to conduct any such in-person verification of information;

(b) prior to any such in-person verification, provide the responding party a document that sets forth the topics the responding party should be prepared to address during the verification and describes the types of supporting documentation the responding party should make available for review;

(c) after the verification is completed prepare a written report describing the methods and procedures that it followed in carrying out the verification and the results of the verification; and

(d) make the report available, consistent with the Party’s law, to all interested parties in sufficient time for the interested parties to defend their interests in the segment of a proceeding.

7. An investigating authority of a Party shall, consistent with the Party’s law, disclose, *inter alia*, for each interested party for whom the investigating authority has determined an individual rate of duty, the calculations used to determine the rate of dumping or countervailable subsidization and, if different, the calculations used to determine the rate of duty to be applied to imports of the interested party. The disclosure and explanation shall be in sufficient detail so as to permit the interested party to reproduce the calculations without undue difficulty. Such disclosure shall include, whether in electronic format (such as a computer program or spreadsheet) or in any other medium, a detailed explanation of the information the investigating authority used, the sources of that information, and any adjustments it made to the information when used in the calculations. The investigating authority shall provide interested parties adequate opportunity to respond to the disclosure.”; and
(c) in footnote 1 and renumbered paragraph 3 of Article 10.7 and in Article 10.8.2(b), by striking the references to “paragraphs 3 and 4” and replacing those references with references to “paragraphs 4 through 7”.

4. Chapter Eleven (Investment) is amended as follows:

(a) in Article 11.3, by inserting the following footnote after “National Treatment” in the title of the article:

“1. For greater certainty, whether treatment is accorded in “like circumstances” under Article 11.3 or Article 11.4 depends on the totality of the circumstances, including whether the relevant treatment distinguishes between investors or investments on the basis of legitimate public welfare objectives.”;

(b) by renumbering footnotes 1 through 17 as 2 through 18;

(c) in Article 11.4, by inserting the following paragraph after paragraph 2:

“3. For greater certainty, the treatment referred to in this Article does not encompass international dispute resolution procedures or mechanisms, such as those included in Section B.”;

(d) in Article 11.5, by striking paragraph number “4.” and replacing it with “5.”, striking paragraph number “5.” and replacing it with “6.”, striking paragraph number “6.” and replacing it with “7.”, and inserting the following paragraph after paragraph 3:

“4. For greater certainty, the mere fact that a Party takes or fails to take an action that may be inconsistent with an investor’s expectations does not constitute a breach of this Article, even if there is loss or damage to the covered investment as a result.”;

(e) in renumbered Article 11.5.6, by striking the references to “paragraph 4” and replacing those references with references to “paragraph 5”;

(f) in renumbered Article 11.5.7, by striking the reference to “Paragraph 4” and replacing it with a reference to “Paragraph 5”;

(g) in Article 11.6.1(d), by striking the reference to “11.5.3” and replacing it with a reference to “11.5.4”;

(h) in Article 11.7.1(e), by striking the reference to “11.5.4 and 11.5.5” and replacing it with a reference to “11.5.5 and 11.5.6”;

(i) in Article 11.18, by inserting the following paragraph after paragraph 3:
“4. (a) An investor of a Party may not initiate or continue a claim under this Section if a claim involving the same measure or measures alleged to constitute a breach under Article 11.16 and arising from the same events or circumstances is initiated or continued pursuant to an agreement between the respondent and a non-Party by:

(i) a person of a non-Party that owns or controls, directly or indirectly, the investor of a Party; or

(ii) a person of a non-Party that is owned or controlled, directly or indirectly, by the investor of a Party.

(b) Notwithstanding subparagraph (a), the claim may proceed if the respondent agrees that the claim may proceed, or if the investor of a Party and the person of a non-Party agree to consolidate the claims under the respective agreements before a tribunal constituted under this Section.”;

(j) in Article 11.20, by striking paragraph number “9.” and replacing it with “10.”, striking paragraph number “10.” and replacing it with “11.”, striking paragraph number “11.” and replacing it with “12.”, striking paragraph number “12.” and replacing it with “13.”, and inserting the following paragraph after paragraph 8:

“9. For greater certainty, if an investor of a Party submits a claim under Section B, including a claim alleging that a Party breached Article 11.5, the investor has the burden of proving all elements of its claims, consistent with general principles of international law applicable to international arbitration.”;

(k) in renumbered Article 11.20.12(b), by striking the reference to “paragraph 12” and replacing it with a reference to “paragraph 13”;

(l) in the chapeau of Article 11.20.6, by inserting the following after “Article 11.26”: “or that a claim is manifestly without legal merit”;

(m) in Article 11.20.6(c), by inserting the following after “In deciding an objection under this paragraph”: “that a claim submitted is not a claim for which an award in favor of the claimant may be made under Article 11.26”;

(n) in Article 11.28, in the definition of an “investor of a non-Party”, by inserting the following footnote after “make”:

“19 For greater certainty, the Parties understand that, for purposes of the definitions of “investor of a non-Party” and “investor of a Party,” an investor “attempts to make” an investment when that investor has taken concrete action or actions to make an investment, such as channeling resources or capital in order to set up a business, or applying for a permit or license.”;
(o) by making consequential adjustments to the numbering of the footnotes so that former footnotes 18, 19, 20, 21, and 22 are renumbered as footnotes 20, 21, 22, 23, and 24, respectively; and

(p) by inserting the following annex after Annex 11-G:

“Annex 11-H
Joint Committee

Consistent with Article 22.2, the Joint Committee shall, as appropriate, initiate discussions regarding the operation of this Chapter, and consider any potential improvements, to ensure that this Chapter continues to meet the objectives of the Parties, including providing meaningful procedures for resolving investment disputes and effective mechanisms to eliminate frivolous claims and to deter the filing of frivolous claims.”.

Each Party shall notify the other Party of the completion of its legal requirements and procedures required for the entry into force of this Protocol. This Protocol shall enter into force on the date on which the Parties exchange written notifications that they have completed their respective applicable legal requirements and procedures. This Protocol shall terminate on the date that the Agreement terminates.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Protocol.

DONE at <LOCATION> this <DATE>, in duplicate in the English and Korean languages.

______________________    ______________________
For the Government of the For the Government of the
United States of America Republic of Korea
PROTOCOL
BETWEEN
THE GOVERNMENT OF THE
UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE
REPUBLIC OF KOREA
AMENDING
THE FEBRUARY 10, 2011 EXCHANGE OF LETTERS

The Government of the United States of America and the Government of the Republic of Korea (the Parties), pursuant to the modification and amendment negotiations held under the auspices of the Joint Committee of the United States – Korea Free Trade Agreement (KORUS), have agreed to amend the letters the Parties exchanged on February 10, 2011 (2011 Letters) regarding issues related to the KORUS by:

(1) in Section A, deleting paragraph 1(c), adding an “and” after “year five;” in paragraph 1(a), and replacing “; and” in paragraph 1(b) with “;”;

(2) replacing the entire Section B with what follows:

“Section B: Safety Standards

1. In lieu of paragraphs 2(a) and 2(b) of the self-certification provisions of the letters the Parties exchanged on June 30, 2007 regarding Chapter Nine of the KORUS, Korea shall provide that an originating motor vehicle produced by a manufacturer that sold no more than 50,000 originating motor vehicles in the territory of Korea during the previous calendar year shall be deemed to comply with Korean Motor Vehicle Safety Standards (KMVSS) if the manufacturer certifies that the motor vehicle complies with U.S. Federal Motor Vehicle Safety Standards (FMVSS). For purposes of this Section, “U.S. FMVSS” refers to the whole set of safety standards with which motor vehicles of a particular type must comply in order to be sold or offered for sale in the United States.

2. Korea shall provide that a motor vehicle replacement part shall be deemed to comply with KMVSS if the part complies with U.S. FMVSS and is designed to be installed on an originating motor vehicle that was deemed, pursuant to paragraph 1, to comply with KMVSS. If the part is not regulated under KMVSS but not regulated under U.S. FMVSS, Korea shall provide that the part shall be deemed to comply with KMVSS if:

2 “Originating motor vehicle” means a motor vehicle that qualifies as an originating good of the United States for purposes of the KORUS.

3 For purposes of this Section, “U.S. FMVSS” refers to the whole set of safety standards with which motor vehicles of a particular type must comply in order to be sold or offered for sale in the United States.

4 For greater certainty, nothing in this paragraph shall prevent Korea from applying relevant provisions of Korea’s Automobile Management Act, as amended, relating to post-market verification and associated regulations pertaining to witnessing of tests and comments on the results of the compliance investigation, to verify the compliance of the originating motor vehicles with U.S. FMVSS. For that purpose, the United States shall, upon request, provide Korea with relevant scientific and technical information related to U.S. FMVSS without undue delay.
(a) it meets the same specifications and performance as the part originally installed on the motor vehicle at the time of its initial import; or

(b) it exceeds the specifications and performance of the part originally installed on the motor vehicle at the time of its initial import.5

3. Notwithstanding paragraphs 1 and 2, commercial vehicles6 shall comply with the KMVSS items identified in the attached Annex. On request of either Party, the Automotive Working Group as established by Annex 9-B of the KORUS shall discuss modification of the Annex, including its coverage.

4. (a) In exceptional circumstances, where the operation of paragraph 1 or 2 creates a serious risk for road safety, human health, or the environment based on substantiated scientific or technical information, Korea may take measures necessary to address the risk, provided that the measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the products of the other Party or a disguised restriction on trade.

(b) Before it implements any such temporary emergency measure, and as soon as practicable, Korea shall notify the United States and the importer, and provide an objective, reasoned and sufficiently detailed explanation of the motivation of the measure. Korea should in most cases provide interested persons and the United States a reasonable opportunity to comment on the measure.

5. (a) Neither Party shall prevent or unduly delay the placing on its market of a motor vehicle product on the ground that the product incorporates a new technology or a new feature which has not yet been regulated unless the Party can demonstrate, based on scientific or technical information, that this new technology or new feature creates a risk for human health, safety, or the environment.

(b) When a Party decides to refuse the placing on its market or require the withdrawal from its market of a motor vehicle product on the ground that the product incorporates a new technology or a new feature creating a risk

5 For greater certainty, nothing in this paragraph shall prevent Korea from applying relevant provisions of Korea’s Automobile Management Act, as amended, relating to post-market verification and associated regulations pertaining to witnessing of tests and comments on the results of the compliance investigation, to verify if the replacement parts are installed only on originating motor vehicles, to verify the compliance of the replacement parts with U.S. FMVSS, to verify if the parts meet the same specifications and performance as the parts originally installed on the motor vehicle at the time of its initial import, or to verify if the parts exceed the specifications and performance of the parts originally installed on the motor vehicle at the time of its initial import. For that purpose, the United States shall, upon request, provide Korea with relevant scientific and technical information related to U.S. FMVSS without undue delay.

6 “Commercial vehicles” does not include pickup trucks with a gross vehicle weight of 4.5 metric tons or less that comply with all U.S. FMVSS relevant for that vehicle type and are produced for general consumers rather than custom-built to a specific order.
for human health, safety, or the environment, the Party shall immediately notify the other Party and the importer of the product of its decision. The notification shall include all relevant scientific or technical information.”;
and

(3) making consequential adjustments to the footnote numbering so that footnote 6 of the 2011 Letters becomes footnote 7; footnote 7 of the 2011 Letters becomes footnote 8; footnote 8 of the 2011 Letters becomes footnote 9; and footnote 9 of the 2011 Letters becomes footnote 10.

Each Party shall notify the other Party of the completion of its legal requirements and procedures required for the entry into force of this Protocol. This Protocol shall enter into force on the date on which the Parties exchange written notifications that they have completed their respective applicable legal requirements and procedures, and shall terminate on the date that the KORUS terminates.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Protocol.

DONE at <LOCATION> this <DATE>, in duplicate in the English and Korean languages.

For the Government of the United States of America

For the Government of the Republic of Korea
INTEPRETATION
BY THE JOINT COMMITTEE OF
THE FREE TRADE AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA
REGARDING THE JUNE 30, 2007 EXCHANGE OF LETTERS

Having reviewed the letters exchanged on June 30, 2007 by the Parties to the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement) regarding Chapter Nine (Technical Barriers to Trade) of the Agreement, which provide, in part,

“Korea shall use the methodology applied by the State of California under California LEV II Regulations, Cal. Code Regs. tit. 13, § 1961, and any amendments thereto, to calculate the number of motor vehicles sold by a manufacturer in the territory of Korea and the fleet average NMOG value for these purposes.”,

the Joint Committee, pursuant to Article 22.2.3(d) of the Agreement, hereby issues the following interpretation of that paragraph, in order to clarify its meaning and facilitate its application to trade:

Recognizing the fact that the California methodology is consistent with U.S. Federal regulations, Korea shall, no later than the date of entry into force of the Protocol Between the Government of the United States of America and the Government of the Republic of Korea Amending the Free Trade Agreement between the United States of America and the Republic of Korea, amend relevant testing procedures and methods for gasoline-powered motor vehicles such that the tests a manufacturer must conduct for, and the test results it must submit to, the relevant agencies of the United States with responsibility for such matters, including the United States Environmental Protection Agency, to demonstrate compliance with U.S. Federal emissions regulations are sufficient to meet Korea’s requirements without additional or duplicative testing. In the event that the California methodology ceases to be consistent with U.S. Federal regulations, Korea may amend or maintain relevant testing procedures and methods for gasoline-powered motor vehicles such that the tests a manufacturer must conduct for, and the test results it must submit to, relevant agencies to demonstrate compliance with California emissions regulations are sufficient to meet Korea’s requirements without additional or duplicative testing.

DONE at <LOCATION> this <DATE>, in duplicate in the English and Korean languages.

For the Government of the United States of America

For the Government of the Republic of Korea
Agreed Minutes

With regard to the Korea Certification (KC) mark, Korea affirms its intent to revise, no later than the date of entry into force of the Protocol Between the Government of the United States of America and the Government of the Republic of Korea Amending the February 10, 2011 Exchange of Letters, the Provisions related to Certification and Investigation of Motor Vehicles and Parts (Ministry of Land, Infrastructure and Transport Notice No. 2017-847, December 13, 2017) to allow the KC mark in the form of a sticker on the packaging designed for the final consumer of a replacement part, if the importer of the replacement part has a system for tracking in which motor vehicle the part is installed.

With regard to Korea’s motor vehicle fuel economy and greenhouse gas emissions regulations\(^1\), Korea affirms its intent to:

(i) increase the current cap of total available credits under the eco-innovation credit system at the average level of the manufacturer’s fleet to 17.9 g/km;

(ii) take into account global trends, such as the U.S. mid-term review results for the U.S. 2022-2025 regulations, among other factors, in establishing the targets for 2021-2025; and

(iii) maintain a system for providing leniency for small volume manufacturers under the regulations, as amended, for 2021-2025, taking into account the classification of small volume manufacturers under the regulations covering 2016-2020.

\[^1\] For greater certainty, such regulations include the Public Notice on Corporate Average Fuel Efficiency Standards and Greenhouse Gas Standards for Motor Vehicles, and Their Application and Management (Ministry of Environment Notice No. 2017-225, December 15, 2017).
The Honorable Hyun Chong Kim  
Trade Minister  
Sejong, Republic of Korea

Dear Minister Kim:

I have the honor to confirm the following understanding reached between the Government of the United States of America (United States) and the Government of the Republic of Korea (Korea) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement).

The Government of the United States and the Government of Korea are committed to the Customs Principles under the Free Trade Agreement between the United States of America and the Republic of Korea included in the attachment to this letter.

Pursuant to Article 22.2.3 of the Agreement, the Joint Committee will establish the Rules of Origin Verification Working Group under the Committee on Trade in Goods.

The Working Group will be co-chaired, in the case of the United States, by a representative of the Office of the United States Trade Representative and, in the case of Korea, by a representative of the Ministry of Trade, Industry and Energy and a representative of the Ministry of Strategy and Finance.

The Working Group will be established as of the date of receipt of your letter in response.  The Working Group’s functions will include:

1) seeking to resolve concerns that arise from matters related to verification of claims of origin;
2) developing further guidelines to address systemic concerns with verification practices and to prevent such concerns from arising in the future;
3) monitoring verifications that are taking excessive lengths of time or that do not seem to be reaching conclusion; and
4) presenting findings, reports, and recommendations to the Committee on Trade in Goods as appropriate.

The Working Group will meet at the request of the representative of either Party to the Committee on Trade in Goods to resolve concerns mentioned in the preceding paragraph.  The Working Group may be terminated by decision of the Joint Committee.

As with other committees and working groups established under the Agreement, the Working Group may agree to meet by digital video conference and will be supervised by the Joint Committee and otherwise operate under applicable provisions set out in Article 22.2 of the Agreement.
I look forward to your response to this letter as soon as possible confirming this understanding.

Sincerely,

Ambassador Robert E. Lighthizer
United States Trade Representative

Attachment
Attachment

Customs Principles under the Free Trade Agreement between the United States of America and the Republic of Korea

The United States and Korea confirm the following principles:

- Reaffirm the commitment to the “knowledge-based” self-certification system prescribed under the Agreement, which relies on importer knowledge or a certification of origin provided by an importer, exporter, or producer to make a claim of preferential tariff treatment.

- Allow a certification of origin to be completed by an exporter or producer regardless of its location or address.

- Allow an importer, exporter, or producer to correct minor errors or discrepancies in the certification, questionnaire, or other documents, with no penalty for making such corrections. In the case of such minor errors or discrepancies, allow an importer, exporter, or producer a period of not less than five working days to provide to the customs authority a copy of the corrected certification, questionnaire, or other document.

- Ensure that verifications of origin\(^1\) are conducted by the importing Party through information requests to the importer, exporter, or producer.

- Reaffirm that verifications of origin will be conducted only if the customs authority has doubts as to a good’s originating status, and based on risk management principles that facilitate the movement of low-risk goods.

- Provide written advance rulings, upon written request by the importer, exporter, or producer, to questions of whether a good is originating, rather than answering such questions through verbal advice.

- Increase efforts to ensure that information requests conducted through a verification of origin will clearly identify the specific goods being verified, will be limited in scope to information necessary to determine whether the goods are originating, and will provide clear guidance to importers, exporters, or producers with regard to specific information that must be provided in order to prove origin.

- Endeavor to conclude verifications of origin as expeditiously as possible and no later than 90 days after receiving the information necessary to make a determination, and no later than twelve months after the initiation of the verification, allowing extensions of the period in exceptional cases.

\(^1\) For greater certainty, these principles do not apply to audits of an exporter or producer.
Dear Ambassador Lighthizer:

I am pleased to acknowledge receipt of your letter of this date, which reads as follows:

I have the honor to confirm the following understanding reached between the Government of the United States of America (United States) and the Government of the Republic of Korea (Korea) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement).

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1) seeking to resolve concerns that arise from matters related to verification of claims of origin;
2) developing further guidelines to address systemic concerns with verification practices and to prevent such concerns from arising in the future;
3) monitoring verifications that are taking excessive lengths of time or that do not seem to be reaching conclusion; and
4) presenting findings, reports, and recommendations to the Committee on Trade in Goods as appropriate.

The Working Group will meet at the request of the representative of either Party to the Committee on Trade in Goods to resolve concerns mentioned in the preceding paragraph. The Working Group may be terminated by decision of the Joint Committee.
As with other committees and working groups established under the Agreement, the Working Group may agree to meet by digital video conference and will be supervised by the Joint Committee and otherwise operate under applicable provisions set out in Article 22.2 of the Agreement.

I look forward to your response to this letter as soon as possible confirming this understanding.

I have the honor to confirm my government shares the understanding expressed in your letter.

Sincerely,

Hyun Chong Kim

Attachment
Attachment

Customs Principles under the Free Trade Agreement between the United States of America and the Republic of Korea

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- Reaffirm the commitment to the “knowledge-based” self-certification system prescribed under the Agreement, which relies on importer knowledge or a certification of origin provided by an importer, exporter, or producer to make a claim of preferential tariff treatment.

- Allow a certification of origin to be completed by an exporter or producer regardless of its location or address.

- Allow an importer, exporter, or producer to correct minor errors or discrepancies in the certification, questionnaire, or other documents, with no penalty for making such corrections. In the case of such minor errors or discrepancies, allow an importer, exporter, or producer a period of not less than five working days to provide to the customs authority a copy of the corrected certification, questionnaire, or other document.

- Ensure that verifications of origin1 are conducted by the importing Party through information requests to the importer, exporter, or producer.

- Reaffirm that verifications of origin will be conducted only if the customs authority has doubts as to a good’s originating status, and based on risk management principles that facilitate the movement of low-risk goods.

- Provide written advance rulings, upon written request by the importer, exporter, or producer, to questions of whether a good is originating, rather than answering such questions through verbal advice.

- Increase efforts to ensure that information requests conducted through a verification of origin will clearly identify the specific goods being verified, will be limited in scope to information necessary to determine whether the goods are originating, and will provide clear guidance to importers, exporters, or producers with regard to specific information that must be provided in order to prove origin.

- Endeavor to conclude verifications of origin as expeditiously as possible and no later than 90 days after receiving the information necessary to make a determination, and no later than twelve months after the initiation of the verification, allowing extensions of the period in exceptional cases.

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1 For greater certainty, these principles do not apply to audits of an exporter or producer.
[DATE]

The Honorable Seung Taik Kim  
President of Health Insurance Review and Assessment Service  
Gangwon, Republic of Korea

Dear Mr. Kim:

I have the honor to confirm the following understanding reached between the Government of the United States of America (United States) and the Government of the Republic of Korea (Korea) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement).

Korea confirms that the Health Insurance Review and Assessment Service (HIRA) will prepare and, by October 31, 2018, publish a draft amendment to its Premium Pricing Policy for Global Innovative New Drugs (Policy) with the purpose of implementing the amendment no later than December 31, 2018. Korea further confirms that the amendment will make the Policy fully consistent with the Parties’ commitments under the Agreement. The HIRA will also provide for meaningful consultation and transparency during the amendment drafting and review process.

I look forward to your response to this letter as soon as possible confirming this understanding.

Sincerely,

Robert Rapson  
Deputy Chief of Mission  
U.S. Embassy Seoul
The Honorable Robert Rapson  
Deputy Chief of Mission  
U.S. Embassy Seoul  

Dear Mr. Rapson:  

I am pleased to acknowledge receipt of your letter of this date, which reads as follows:

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I look forward to your response to this letter as soon as possible confirming this understanding.

I have the honor to confirm my government shares the understanding expressed in your letter.

Sincerely,

Seung Taik Kim  
President  
Health Insurance Review and Assessment Service
The Honorable Robert E. Lighthizer  
United States Trade Representative  
Washington, D.C.

Dear Ambassador Lighthizer,

I have the honor to confirm the following understanding reached between the Government of the Republic of Korea (Korea) and the Government of the United States of America (United States) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the Free Trade Agreement between the Republic of Korea and the United States of America (Agreement).

The United States will expedite the commercial availability review process, consistent with its statutory review procedures, for the three products requested by Korea. If a determination is made that commercial availability does not exist for a particular product, the United States will also expeditiously implement the necessary rule change in Annex 4-A (Specific Rules of Origin for Textile or Apparel Goods) upon completion of the process set forth in Article 4.2 (Rules of Origin and Related Matters) of the Agreement.

Further, a separate letter that can be used for public notification, outlining the proposed modifications to the rules of origin under Annex 4-A in detail, is attached to this letter.

I look forward to your response to this letter as soon as possible confirming this understanding.

Sincerely,

Hyun Chong Kim

Attachment
Attachment: Request to modify the rules of origin under the *Free Trade Agreement between the Republic of Korea and the United States of America*

XX, 2018

William D. Jackson  
Assistant United States Trade Representative for Textiles  
Executive Office of the President  
Washington, DC

Dear Assistant Trade Representative Jackson,

Pursuant to Article 4.2.3 of the *Free Trade Agreement between the Republic of Korea and the United States of America* (Agreement), the Government of the Republic of Korea (Korea) requests that our governments begin consultations to modify the rules of origin under the Agreement for certain end-use yarns, fabrics and apparel based on the lack of commercial availability of certain textile inputs, as described below.

Based on its knowledge of the industry, the Government of Korea has determined that there is no production of these products in Korea or from suppliers in the United States of America (United States).

<table>
<thead>
<tr>
<th>NO</th>
<th>Input Product Description</th>
<th>Input Product HTS</th>
<th>End-use Product Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>certain viscose rayon staple fibers classified in subheadings 5504.10 or 5507.00</td>
<td>5504.10, 5507.00</td>
<td>Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale, classified in heading 52.06</td>
</tr>
<tr>
<td>2</td>
<td>certain textured and non-textured cuprammonium rayon filament yarns classified in subheading 5403.39</td>
<td>5403.39</td>
<td>Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading 54.05, classified in heading 54.08</td>
</tr>
</tbody>
</table>
The Government of Korea is aware that the solicitation of public comment, the review process of the United States International Trade Commission (USITC) and relevant trade advisory committees, and the Congressional consultation and layover process are required in accordance with the United States domestic laws and regulations in order to modify the rules of origin under the Agreement. The Government of Korea requests that the Government of the United States conduct its domestic procedures expeditiously with respect to these consultations on, potential agreement on, and any subsequent implementation of these proposed modifications to the rules of origin under the Agreement.

The Government of Korea looks forward to a favorable consideration of the request for a change in the relevant rules of origin pursuant to Article 4.2.3, et seq., of the Agreement.

Sincerely,

Yoo Myung-hee
Deputy Minister for Trade Negotiations

Cc: Terry Labat
   Acting Chair
   Committee for the Implementation of Textile Agreements
   U.S. Department of Commerce
   Washington D.C.
The Honorable Hyun Chong Kim  
Trade Minister  
Sejong, Republic of Korea  

Dear Minister Kim,  

I am pleased to acknowledge receipt of your letter of this date, which reads as follows:  

I have the honor to confirm the following understanding reached between the Government of the Republic of Korea (Korea) and the Government of the United States of America (United States) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the Free Trade Agreement between the Republic of Korea and the United States of America (Agreement).  

The United States will expedite the commercial availability review process, consistent with its statutory review procedures, for the three products requested by Korea. If a determination is made that commercial availability does not exist for a particular product, the United States will also expeditiously implement the necessary rule change in Annex 4-A (Specific Rules of Origin for Textile or Apparel Goods) upon completion of the process set forth in Article 4.2 (Rules of Origin and Related Matters) of the Agreement.  

Further, a separate letter that can be used for public notification, outlining the proposed modifications to the rules of origin under Annex 4-A in detail, is attached to this letter.  

I look forward to your response to this letter as soon as possible confirming this understanding.  

I have the honor to confirm my government shares the understanding expressed in your letter.  

Sincerely,  

Ambassador Robert E. Lighthizer  
United States Trade Representative
The Honorable Hyun Chong Kim  
Trade Minister  
Sejong, Republic of Korea  

Dear Minister Kim:

I have the honor to confirm the following understanding reached between the delegations of the United States of America (United States) and the Republic of Korea (Korea) with respect to the Protocol between the Government of the United States of America and the Government of the Republic of Korea Amending the Free Trade Agreement between the United States of America and the Republic of Korea (Protocol).

Recognizing the importance of timely completion of respective domestic procedures as necessary to bring the Protocol into force, both governments will endeavor to complete all procedures and to bring the Protocol into force no later than January 1, 2019.

Each government will exercise due restraint in invoking either Article 22.4 or Annex 22-A of the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement) with respect to the other government’s action in accordance with the Protocol during the period in which its domestic procedures for the entry into force are pending. During this period, should either government have concerns with respect to the other government’s action in accordance with the Protocol, the Government of the United States and the Government of Korea will, consistent with Article 22.3 of the Agreement and at the request of either government, consult with a view to reaching a mutually satisfactory resolution of those concerns.

I look forward to your response to this letter as soon as possible confirming this understanding.

Sincerely,

Ambassador Robert E. Lighthizer
The Honorable Robert E. Lighthizer  
United States Trade Representative  
Washington, D.C.

Dear Ambassador Lighthizer:

I have the honor to acknowledge receipt of your letter of [this date], which reads as follows:

I have the honor to confirm the following understanding reached between the delegations of the United States of America (United States) and the Republic of Korea (Korea) with respect to the Protocol between the Government of the United States of America and the Government of the Republic of Korea Amending the Free Trade Agreement between the United States of America and the Republic of Korea (Protocol).

Recognizing the importance of timely completion of respective domestic procedures as necessary to bring the Protocol into force, both governments will endeavor to complete all procedures and to bring the Protocol into force no later than January 1, 2019.

Each government will exercise due restraint in invoking either Article 22.4 or Annex 22-A of the Free Trade Agreement between the United States of America and the Republic of Korea (Agreement) with respect to the other government’s action in accordance with the Protocol during the period in which its domestic procedures for the entry into force are pending. During this period, should either government have concerns with respect to the other government’s action in accordance with the Protocol, the Government of the United States and the Government of Korea will, consistent with Article 22.3 of the Agreement and at the request of either government, consult with a view to reaching a mutually satisfactory resolution of those concerns.

I look forward to your response to this letter as soon as possible confirming this understanding.

I have the further honor to confirm that my government shares the understanding expressed in your letter.

Sincerely,

Hyun Chong Kim