

[TRANSLATION]

July 1, 2007

The Honorable Susan C. Schwab
United States Trade Representative
Washington, D.C.

Dear Ambassador Schwab:

I confirm receipt of your letter dated June 30, 2007, which reads as follows:

As the delegations of the Republic of Korea and the United States of America have discussed during the course of negotiations regarding the implementation of the relevant provisions of Chapters Nineteen (Labor) and Twenty (Environment) of the Free Trade Agreement between our two Governments signed on June 30, 2007, both Parties reaffirm their commitment to consultation under the Agreement in order to resolve any potential differences that may arise in these areas and, as responsible trading partners, would resort to dispute settlement only in cases with merit where trade or investment effects can be established.

I am pleased to confirm that my government shares the preceding understanding.

Sincerely,

[SGN]
Hyun Chong Kim