Speakers Cite Jobs Benefits of Trade Pact, But Committee Fails to Approve Resolution

job creators

Michelle Steel, vice chair of the state Board of Equalization, testified in support of a resolution that aims to promote trade and produce jobs in California on June 13.

SJR 4 (Harman; R-Huntington Beach), a California Chamber of Commerce-**supported** "job creator" proposal, asks Congress to approve the U.S.-South Korea Free Trade Agreement (FTA), which would lower tariffs and increase trade between the two countries.

CalChamber policy advocate Thomas Vu also testified in support of SJR 4.

Photo by Megan Wood

CalChamber Policy Advocate Thomas Vu (right) joins Michelle Steel (left), vice chair of the state Board of Equalization, in urging a Senate committee to adopt a Senate joint resolution by Senator Tom Harman (center) supporting the U.S.-Korea Free Trade Agreement.

Benefits to California

Steel urged the Senate Business, Professions and Economic Development Committee to pass the resolution, stressing that a U.S.-Korea FTA would especially benefit California as most of the trade activities between Korea and the United States would pass through the Los Angeles and Long Beach ports in Southern California.

"This FTA will benefit Californians first and foremost. This will ensure all Californians have access and can better participate in the global market," Steel said.

The resolution points out that an FTA with South Korea has the potential to create 70,000 new jobs in the United States, while failure to enact the agreement would lead to the loss of more than 350,000 jobs due to bilateral trade agreements that Canada and the European Union have enacted with Korea.

Specifically, the U.S.-Korea FTA would benefit the farm, garment, rail, trucking and pharmaceutical industries in California, Steel said.

California's exports of nearly $2 billion in computer and electronic products will become more competitive and affordable with the immediate removal of related tariffs.

Korea is the fifth largest export market for California goods, bringing $8 billion in trade per year into the state's economy.

In addition, according to the U.S. Food and Agriculture Department, Korean duties on major California agricultural products—such as almonds, pistachios, frozen orange juice, wine and raisins—will be eliminated immediately.

California companies will receive strengthened protections in Korea for intellectual property, including software, music, film, videos and text.

Beyond Economic Benefits

An FTA with Korea would "be a statement of liberty and solidarity between our countries," Steel said. "As a Korean American I know that the Republic of Korea is forever grateful for the sacrifice our United States military made during the Korean War by creating more jobs and increasing exports, and stimulating the economies of both countries," Steel said. "This FTA will only continue a long-standing friendship."

Elected to the Board of Equalization in 2006, Steel serves as the country's highest-ranking Korean American officeholder and California's highest-ranking Republican woman. She represents more than 8 million people in the BOE's Third District, which includes the counties of Imperial, Orange, Riverside, San Diego, and portions of Los Angeles and San Bernardino counties. In 2011, she was elected vice chair of the BOE.

CalChamber Position

The CalChamber, in keeping with longstanding policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business.

New multilateral, sectoral and regional trade agreements ensure that the United States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans.

More information is available at ***www.calchamber.com/korea***.

Key Vote

SJR 4 failed to pass Senate Business, Professions and Economic Development on June 13, 4-2. The bill will be reconsidered on June 20.

Ayes: Emmerson (R-Hemet), Price (D-Los Angeles), Walters (R-Laguna Niguel), Wyland (R-Escondido).

Noes: Corbett (D-San Leandro), Vargas (D-Golden Hill).

No vote recorded: Correa (D-Santa Ana), Hernandez (D-West Covina), Negrete McLeod (D-Chino).

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