

**DRAFT**  
**Subject to Legal Review for Accuracy, Clarity, and Consistency**

The Honorable Susan C. Schwab  
United States Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, D.C. 20508

Dear Ambassador Schwab:

In connection with the signing on this date of the Korea-United States Free Trade Agreement (the “Agreement”), I have the honor to confirm the following understanding reached by the Governments of Korea and the United States during the course of the negotiation of Annex 11-B (Expropriation) of Chapter Eleven (Investment) of the Agreement regarding indirect expropriation.

For purposes of this Agreement, the term “tangible or intangible property right” in paragraph 1 of Annex 11-B includes rights under contract and all other property rights in an investment, as that term is defined in Article 11.28 (Investment – Definitions).

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely,

[Trade Minister Kim]