



# **“New Beginnings” in the U.S.-ROK Alliance: Recommendations to the Obama Administration**

May 2010



## Acknowledgments

For generous financial support, The Korea Society, the Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) of Stanford University, and members of the New Beginnings policy research group express appreciation to the Luce Foundation, the William Perry Endowment at Stanford University, the Pantech Fund in Korean Studies at Stanford University, Mr. David Yun, and Ms. Euni Park. The members are grateful to the staff of Shorenstein APARC for conference organization and publication editing and design.



## Executive Summary

Between 2009 and 2010, major new developments in and around the Korean Peninsula profoundly affected the context of U.S.-South Korean relations. The global economy, led by Northeast Asia, began slowly to recover from the economic recession that followed the U.S. financial crisis. As China's economy continued its dramatic development, East Asian countries strengthened the architecture of regional cooperation. The international community focused increasingly on multilateral problems such as climate change and environmental issues. The United States maintained its focus on terrorism and the Middle East and South Asia. President Obama initiated a global nonproliferation campaign, but little progress was made in curbing the Iranian and North Korean nuclear programs. Despite outreach by the new Obama administration, North Korea conducted a second test of a nuclear device and launched another Taepo Dong rocket.

In this dynamic context, the Obama administration used its first year in office to strengthen the U.S.-South Korean alliance. Presidents Obama and Lee Myung-bak established an effective working relationship and their two administrations consulted closely, especially on North Korea policy. The two presidents declared that bilateral relations have “never been stronger.” Building on President Bush's efforts in 2008 with the new South Korean administration, President Obama and President Lee issued a major “Joint Vision” statement on pursuing “a comprehensive strategic alliance.” President Obama supported President Lee's efforts for South Korea to play a global role, including South Korea's hosting of the November 2010 G20 summit and the 2012 Nuclear Security Summit. In response to North Korean actions, President Obama underlined the U.S. security commitment to South Korea, and the United States and South Korea continued effectively to implement the important alliance and military basing reforms initiated by previous administrations.

Presidents Obama and Lee have nearly three more years of overlap in office to deal with pending and future alliance issues. Unfortunately, the Obama administration has so far failed to bring the U.S.-Korea Free Trade Agreement (KORUS FTA) before Congress for approval. Continued failure to do so will not only hurt the American economy and cost American jobs, but will also reduce U.S. credibility and influence with South Korea and all of East Asia.

While the two presidents have a principled policy toward North Korea and are working together well, our two countries must prepare for further challenges from North Korea. The North's refusal to engage seriously in Six Party Talks on its nuclear weapons program and its probable attack on the South Korean Navy vessel Cheonan underline the importance of ROK-U.S. cooperation in this arena. South Korean opposition is growing to the scheduled

2010 transfer of wartime operational control over ROK forces from the U.S. to the South Korean government; the Obama administration must take many important security and diplomatic factors into account in deciding this sensitive issue.

### **Key Recommendations**

The members of the New Beginnings policy study group on U.S.-Korean relations offer the following major recommendations to the Obama administration:

- Seek immediate Congressional approval of the KORUS FTA
- Bolster alliance security arrangements, and review the U.S.-Korean agreement on the transfer of wartime operational control
- Increase international pressure on North Korea to engage seriously in Six Party Talks on ending its nuclear weapons program, and strengthen international measures against North Korean proliferation
- Closely coordinate with the ROK a strong and effective bilateral and international response to the Cheonan sinking, depending on the findings of the investigation
- Highlight the human rights situation in North Korea, facilitate increased private exchanges with North Korea, and press China to take a humanitarian approach to North Korean refugees on its territory
- Identify additional opportunities for U.S.-South Korean global cooperation
- Increase support for the Work, English Study and Travel (WEST) student exchange program, and seek full Congressional funding for a new U.S. embassy chancery and residential facilities in Seoul.



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### Progress toward an Enhanced and Strengthened Alliance

The New Beginnings policy study group of U.S. experts on Northeast Asia was formed in January 2008 in anticipation that the impending changes of administration in both the United States and the Republic of Korea (ROK, or South Korea) would offer the two countries “a major opportunity to strengthen their alliance and to transform it into a global partnership.”<sup>1</sup> We are pleased that the governments of the United States and South Korea have indeed used the opportunity to make important progress toward those goals. South Korean President Lee Myung-bak, inaugurated in February 2008, made clear from the outset of his administration that he attached top priority to his country’s alliance with the United States. He worked closely with President George W. Bush in the latter’s final year in office to set a new tone in bilateral relations, laying the basis for further progress during President Barack Obama’s first year in office in 2009. The two countries’ leaders now say, with considerable justification, that bilateral relations have “never been stronger.”<sup>2</sup>

Alliance management is of course a continuing process, and, as President Lee said during President Obama’s visit to Seoul in November 2009, the relationship “can become even stronger.” Major challenges and issues remain, including North Korea, ongoing updates to U.S.-South Korean security arrangements, and regional and global concerns that range from the economic crisis to international aid and peacekeeping. Fortunately, Presidents Obama and Lee share similar visions for alliance cooperation, and they have developed an excellent personal relationship. With President Lee having just entered the third year of his single five-year term in office, President Obama has the opportunity of three more years of joint efforts to build on their accomplishments. This report briefly reviews U.S.-ROK relations and offers recommendations to the Obama administration to strengthen the alliance and partnership between our two countries.

As this report went to press, a team of international investigators assembled by the South Korean government had not definitively assessed the cause of the March 26, 2010 sinking of the South Korean Navy corvette *Cheonan*, which killed 46 sailors. The investigators concluded, however, that the explosion that resulted in the sinking was external to the vessel,

raising the possibility it was a North Korean act. We believe that the government of President Lee Myung-bak has acted prudently in refusing to assign responsibility until it receives the results of a methodical, objective investigation. Since the investigation is not yet complete, we do not address the implications of the event in this report. If North Korea is found to be responsible, it will clearly have substantial consequences for the U.S.-ROK alliance and for North Korea policy.

## Developments during the Past Year

Presidents Obama and Lee deserve praise for their attention to the alliance and the progress that they have made in strengthening it during their first year of working together. Like President Lee, President Obama entered office convinced of the importance of the alliance and determined to strengthen it. As a result, consultation between the leaders of the two countries has never been closer or more cooperative. The two leaders held several summits, as well as a number of meetings at international events, supplemented by frequent telephone conversations. Following up on the work of President Bush, President Obama issued a “Joint Vision” statement with President Lee on June 16, 2009, in which the two leaders pledged to build “a comprehensive strategic alliance of bilateral, regional, and global scope.”<sup>3</sup> They instructed their foreign and defense ministers to meet as a group in 2010, and Secretary of State Clinton and Foreign Minister Yu plan also to reinvigorate the bilateral “Strategic Consultation for Allied Partnership” (SCAP), a foreign ministerial-level strategic consultative process launched in 2006.

The strengthening of bilateral consultations was timely. In 2009, the United States and the ROK faced major economic recessions following the 2008 financial crisis, and had to respond to North Korea’s second test of a nuclear device and the launch of a Taepo Dong-2 rocket. With few exceptions, the two countries cooperated well. Nevertheless, the North Korean situation remains a major, and in some ways, even greater challenge to the alliance. Unfortunately, the Obama administration has failed so far to seek Congressional ratification of the Korea-United States Free Trade Agreement (KORUS FTA).

## Overall Relations

Since the alliance is an enduring interest of the United States, we must take into account not only the views of the current government in South Korea but also long-term trends in South Korean public opinion. Happily, South Korean attitudes toward the United States and the alliance have improved substantially over the past five years. However, the conservative and progressive camps in the ROK remain polarized, thus issues involving the United States can quickly become politicized.

After a rocky start, Lee Myung-bak has seen his popularity return to the 50 percent level, but his party is divided internally among his own supporters and those of former party chairwoman and prospective presidential candidate Madame Park Geun-hye. Progressives are in disarray, having last year suffered the death of their main leaders, former ROK Presidents Kim Dae-jung and Roh Moo-hyun. Political tensions are again rising in South Korea, as the important June 2 provincial and local elections approach.

South Korean conservatives have been pleased with President Obama, especially his North Korea policy, but they are frustrated by his failure to pursue Congressional ratification of the KORUS FTA. They likewise question U.S. insistence on adhering to the timeline of the 2007 agreement to transfer wartime operational control of South Korean forces to the ROK.





Meanwhile, progressives hold President Obama in high regard, both for his liberal domestic policies and because they view his election as reflecting increased racial equality in the United States. They are concerned, however, that the United States under President Obama is not more aggressively engaging North Korea in bilateral diplomatic dialogue.

Given his personal popularity in South Korea, President Obama could effectively help to strengthen the long-term basis of the alliance by taking time to reach out to the South Korean public. We recommend that he consider engaging the younger generation in South Korea during future visits, such as the November 2010 G20 summit in Seoul. Korea's inclusion in the Visa Waiver Program (VWP) has proven successful in increasing South Korean tourism to the United States and in making South Koreans regard the bilateral relationship as a partnership. The Work, English Study and Travel (WEST) program for student exchanges is also potentially very helpful. It encountered start-up problems, some of which have been resolved. We recommend robust support for the program and the early initiation of U.S. student exchanges to Korea along similar lines.

In light of South Korea's increasingly global role in international affairs, we urge Congress to provide full funding for a new U.S. Embassy chancery in Seoul. The current U.S. Embassy building is woefully inadequate to represent U.S. interests in this major country. After four decades of negotiations and planning, all the necessary agreements with South Korea to permit construction of a new chancery are nearing completion. If funding is made available, and as soon as the construction site is vacated by U.S. Forces Korea (USFK)—which is moving to a new headquarters south of Seoul—actual construction can begin.

## Economic Cooperation

Overall, economic ties between the United States and South Korea are excellent. Compared to decades past, there are relatively few economic and trade problems, and officials are cooperating well to preempt potential issues. South Korean officials and citizens appreciated U.S. agreement on a major currency swap that was important to preserving South Korea's financial stability in the wake of the 2008 global financial crisis. South Koreans also appreciated American support for the G20, including South Korea, as the forum to address the global economic crisis. South Korea is playing a leading role in the G20, and will host its November 2010 summit.

The Obama administration's continuing failure actively to seek Congressional ratification of the KORUS FTA, however, is a negative factor for the American economy, especially for job creation. The U.S. International Trade Commission has estimated that implementing the accord would add \$10–12 billion to gross domestic product (GDP).<sup>4</sup> We should also take note of the consequences for American interests if the KORUS FTA is not ratified. The ROK recently concluded an FTA with the European Union (EU). If the ROK-EU FTA is implemented before the KORUS FTA, the U.S. Chamber of Commerce estimates, the United States could *lose* as many as 383,400 jobs.<sup>5</sup>

Congressional opponents are focused on the auto trade provisions in the KORUS FTA—which are actually favorable to the United States—but they have not taken note of the fact that failure to ratify the agreement will mean *reduced* sales of American-built cars in South Korea when the ROK-EU FTA is implemented. Congressional opponents also do not give sufficient weight to the fact that the United States actually enjoys a significant portion of the automobile market in South Korea, through GM's ownership of Daewoo Motors. Meanwhile, in the United States, a \$1 billion Kia automobile plant has just opened in Georgia, which will ultimately create an estimated 20,000 jobs for Americans. Regarding the other issue cited as an obstacle to ratification—South Korean restrictions on American beef imports in the wake of the “mad cow” panic in Korea in 2008—the U.S. Trade Representative reported

to Congress on March 31, 2010 that exports of American beef and beef products to South Korea reached \$216 million last year, making the ROK the United States' fourth-largest beef importer.

Failure to ratify the KORUS FTA hurts American credibility and influence, both with the ROK and within Northeast Asia as a whole. Economically, the United States' share of trade with South Korea has been steadily declining in recent years compared to China, the EU, and Japan. As President Lee has frankly stated, the ROK, with a view to the strategic situation in Northeast Asia, has specifically sought to make its ally, the United States, its first major FTA partner.<sup>6</sup> If the United States does not soon ratify the KORUS FTA, the ROK will probably proceed to finalize its pending FTA with the EU, and eventually negotiate FTAs with China and a number of other countries. The result will be relatively weaker American ties with the ROK and reduced American stature in the region.

We were pleased that President Obama, during his November 2009 visit to South Korea and in his 2010 State of the Union address, expressed his support for the KORUS FTA.<sup>7</sup>

But three years have passed since the Bush administration concluded the KORUS FTA negotiations. Particularly given the current economic and jobs situations in the United States, the KORUS FTA should be ratified and implemented as soon as possible.

## Global Partnership

The "Joint Vision" statement by Presidents Obama and Lee made the transformation of the U.S.-ROK alliance into a global partnership a formal goal of their administrations. Americans appreciate South Korea's substantial contributions to the American-led efforts in Afghanistan and Iraq, to UN-led peacekeeping missions throughout the world, and to aid and disaster relief efforts in Haiti and elsewhere. President Lee has pledged to increase South Korean overseas development assistance from 0.1 percent of gross national income this year to 0.25 percent by 2015.<sup>8</sup> The United States and South Korea are working for the early conclusion of an agreement to increase consultation and coordination about overseas development programs. In the number of volunteers it deploys, South Korea's own "Peace Corps" is now second only to that of the United States.

The ROK is playing an ever greater role in global diplomatic, economic, and cultural affairs, and its dynamic democracy and thriving economy represent an attractive model for developing nations throughout the world. It has consequently become a more and more important American global partner. We believe that the United States and the Republic of Korea can expand their international cooperation. In this connection, increased consultation and coordination within existing international and multinational organizations will be crucial. The United States should also continue to look for opportunities for purely bilateral cooperation with the ROK on the international stage.

## North Korea

With the exception of early 2009, when all else was overshadowed by the global financial crisis and economic recession, North Korea has loomed as the major challenge facing the U.S.-ROK alliance. The Obama administration has placed priority on its relationship with South Korea, recognizing that the United States cannot have an effective North Korea policy without the closest possible consultation and cooperation with South Korea.

Both Washington and Seoul seek a negotiated diplomatic settlement with North Korea for the irreversible, verifiable, and peaceful denuclearization of the Korean peninsula. Both support the Six Party Talks in Beijing. The Obama administration is prepared to engage



Pyongyang bilaterally in the context of the Six Party Talks. The Lee administration favors engagement with the North but on the basis of greater reciprocity.

Secretary of State Clinton gave the most detailed authoritative statement of Obama administration policy toward North Korea on July 23, 2009. The United States, she stressed, “cannot accept a North Korea that tries to maintain nuclear weapons.” In exchange for North Korea’s “verifiable denuclearization,” she said, “full normalization [of U.S.-North Korean relations], a permanent peace regime, and significant energy and economic assistance” were all possible. Until then, the United States would “undertake the necessary defensive measures to protect our interests and our allies.” She also underlined that, while the United States would work with the international community to press North Korea to return to Six Party Talks and end its nuclear weapons programs, it “does not seek any kind of offensive [military] action against North Korea.”<sup>9</sup>

For reasons that presumably include a complex mix of external strategic and domestic political factors, North Korea chose to ignore the initial Obama administration assurances and offers. Instead, it proceeded with a long-range rocket test on April 5, 2009, and on May 25, 2009 conducted its second test of a nuclear device. It punctuated these acts by declaring it would never return to the Six Party Talks. The international community responded by imposing tougher sanctions against North Korea.<sup>10</sup> The U.S. and South Korea are determined that these sanctions should not be removed until there has been serious progress on North Korea’s denuclearization.

The North Korean government apparently decided, after conducting the rocket and nuclear tests, to pursue multipronged engagement in an effort to ease international pressures. North Korea is now focused on its proposal for bilateral talks with the United States and on negotiation of a peace treaty and normalization of relations with the United States, and has argued that these steps must precede denuclearization. Possibly with the leadership succession in mind, the North Korean government has declared the year 2012, the centennial of Kim Il Sung’s birth, to be the target for the creation of a “strong and prosperous country.” North Korea has publicly linked its nuclear and missile tests, as well as efforts to induce increased foreign investment, to this goal.

The North Koreans may actually believe they will succeed in reaching their goal, above all because China has been increasing economic support for their country. On the other hand, international sanctions and pressure continue against North Korea; Kim Jong Il’s health problems have apparently led to the initiation of a process to have his third son succeed him; and a currency reform in December backfired.

We applaud the increased U.S.-ROK consultation and cooperation on North Korea policy seen over the past year. On the Korean peninsula, the Obama administration is correct to give first priority to our alliance with the ROK. We support the Obama administration’s increased consultation with Japan on North Korea policy, and also the intensification of trilateral U.S.-ROK-Japanese coordination on North Korea policy. At the same time, we recognize that our North Korea policy may not produce its intended results anytime soon and that dangers to the United States and South Korea—indeed, to the entire international community—will persist in the meantime.

We believe that the Obama administration’s stated willingness to engage directly with North Korea, while yielding few results to date, has helped to marshal international support for sanctions against North Korea. We strongly support the administration’s willingness to keep the door open to North Korea for serious negotiations. U.S. openness to engaging North Korea demonstrates to South Korean progressives and to the international community that the United States’ policy is flexible, pragmatic, and fair.

The United States and South Korea should consider ways to continue to increase international pressures for North Korea to agree to a negotiated settlement. We recommend that the Obama administration continue to give priority to financial sanctions and other measures, especially those that are aimed at the leadership and North Korean proliferation

activities. We should further strengthen implementation of UN sanctions against North Korean arms sales abroad. As for inducements, we support the U.S.-South Korean concept of a comprehensive agreement, or “grand bargain,” which might be keyed to North Korea’s target date of 2012 for economic development.

We are deeply concerned about North Korean proliferation of nuclear technology and materials. We strongly agree with the Obama administration’s repeated, categorical statements that the United States will not “accept” North Korean possession of nuclear weapons or regard it as a nuclear weapons state, whether temporarily or permanently, in exchange for guarantees that the country will no longer proliferate. We agree with the administration that, as long as North Korea has a nuclear weapons program, any such assurances would not be credible. Ongoing efforts, including those based on UN Security Council resolutions, to prevent North Korean proliferation should be continued and intensified. While we are pleased that the Republic of Korea in 2009 finally joined the Proliferation Security Initiative (PSI), the Obama administration should urge the ROK to participate fully in PSI activities.

The Six Party Talks retain some utility. They ensure that the ROK and Japan are included in the diplomatic process. They also make it more difficult for North Korea to divide its neighbors, and they provide a means of burden-sharing and for organizing international guarantees of any agreements that may be reached. The Six Party Talks do not preclude bilateral negotiations; they provide a context that makes it politically acceptable for the United States to engage North Korea bilaterally.

At the same time, the lack of sustained progress in the Six Party Talks since they began seven years ago naturally suggests the need to consider complementary or alternative processes. The People’s Republic of China (PRC) has been both a major force for realizing the Six Party Talks and a factor in their lack of progress. While the PRC does not want North Korea to have a nuclear weapons program, it is less concerned about that danger than about the regime’s possible collapse. The United States should stress that this is a false dichotomy. China’s less-than-enthusiastic implementation of UN Security Council sanctions on North Korea and its reluctance to increase pressure on Pyongyang have made it easier for the North not to cooperate with the international community. Above all, the PRC should increase its efforts, including in cooperation with the United States, against North Korean proliferation of nuclear and missile technology. We should also press the PRC to take a more humanitarian approach toward North Korean refugees in the country.

Finally, increased consideration and effort need to be given to planning and otherwise preparing for major change in North Korea. That is not to say that we believe it is possible to predict when dramatic change will occur in North Korea. North Korea is different in important respects from other “communist” systems that have collapsed, and we have too little knowledge and understanding of North Korean internal dynamics to make such predictions. Moreover, the North Korean regime has a track record of maintaining internal control despite major internal and external pressures. On the other hand, the system has limited ability to respond to such pressures, which are increasing and beginning to be applied to areas that could affect the regime’s viability. While we cannot predict when dramatic change will occur, we believe that eventually it will. We also note that the change could as easily be for the worse as for the better.

It may well be that most future instances of dramatic change in North Korea—such as attacks on individual leaders, coups, or even internal clashes among competing groups—will have occurred and ended before we have much knowledge about them. Even if we do have accurate, real-time intelligence of dramatic change in progress, there will likely remain imponderables and risks so great that both the United States and the ROK will refrain from active intervention. Nevertheless, as a matter of prudence, we support the apparently ongoing combined contingency planning by the U.S.-ROK Combined Forces Command and ROK military authorities in Seoul. Even more important in responding to a major contingency on



the Korean peninsula will be the degree of understanding and trust among the leadership of the major players, above all, South Korea, the United States, and the PRC.

Regarding the plight of the North Korean people, we support the United States' willingness to provide official food, medical, and other humanitarian aid, depending on the availability of resources, competing needs in other countries, and North Korean adherence to international standards for distribution and monitoring.

We remain deeply concerned about the lack of respect for basic human rights in North Korea. We appreciate the appointment of a new United States new human rights envoy for North Korea, and his efforts to keep this important issue before the American people and the international community as a whole.

We believe that private-sector contacts between the United States and North Korea should be basically separate from political issues between the two countries. In applying sanctions to North Korea, our aim is to press the regime to live up to its commitments in the Six Party Talks and other international obligations, not to isolate or harm the North Korean people. We thus support increased private-sector exchanges in both directions. To the extent that North Korea is not prepared to engage in such exchanges with Americans, we should quietly support such exchanges with other countries. Over the long term, the North Korean people's increased exposure to other countries can serve to moderate and change regime behavior and contribute to their well-being.

## U.S.-ROK Military Arrangements

The Obama administration has engaged in very close consultations and planning with South Korea on security matters. In the Joint Vision statement with President Lee, as well as on other occasions, President Obama himself reconfirmed the United States' commitment to the security of the Republic of Korea, including the nuclear umbrella. At the 41<sup>st</sup> U.S.-ROK Security Consultative Meeting on October 22, 2009, the U.S. and South Korean defense ministers responded forcefully to the North Korean nuclear and missile tests a few months earlier. In their Joint Communiqué, Secretary Gates "reiterated the firm and unwavering U.S. commitment to the defense of the ROK using both capabilities postured on the Korean Peninsula and globally available U.S. forces and capabilities that are strategically flexible to deploy to augment the combined defense in case of crisis."<sup>11</sup> He also committed to maintain the current U.S. troop level (about 28,500) in Korea. He stressed that the United States will continue to "provide extended deterrence for the ROK, using the full range of military capabilities, to include the U.S. nuclear umbrella, conventional strike, and missile defense capabilities."<sup>12</sup>

We are pleased that the Obama administration has continued implementation of alliance reforms initiated by the Clinton and George W. Bush administrations. These include the consolidation and relocation southward of U.S. military bases; the transfer of USFK headquarters out of Seoul; and the movement from a U.S.-led to a ROK-led security structure on the peninsula, with continued full support by the United States. We are confident that the changes will not only make the alliance more sustainable over the long run in South Korean domestic political terms but will also enhance the alliance's deterrent and defensive capabilities.

Good progress is being made on the U.S. base returns and consolidation. Some delays are being encountered but these are understandable due to the technical complexity, financial cost, and political sensitivity of this transformation. Our two governments were able to deal effectively with the delicate issues of financial burden-sharing and environmental cleanup associated with base returns, and reached solid agreements on both.

In association with these changes, eventually almost all USFK military personnel will serve standard three-year tours and be accompanied by their families. Counting new family



members, USFK will one day have an estimated 84,000 military and civilian personnel and family members resident in the ROK. This will, among many other benefits, highlight the U.S. commitment to the security of South Korea and help to bring base-host community relations up to the level of those in Germany. With many more USFK family members residing in South Korea, there will also be a significant increase in tourists from the United States, as members of the extended family visit. This will offer the ROK an opportunity to initiate a virtuous cycle of increased investment in and increased return from its tourism industry.

All of the above plans are on track to be completed well before the end of this decade. The result will be a more efficient and effective U.S. contribution to the alliance deterrent and warfighting capability, enhanced USFK personnel morale, and significantly improved relations between USFK bases and their South Korean neighbors.

The most controversial planned alliance change is the transfer in 2012 of wartime operational control over South Korean forces to the ROK itself. After the Korean War began, South Korea put most of its military forces under the operational control of a U.S. general. This remained the case until 1994, when South Korea reassumed operational control of its forces in peacetime. In 2007, at the initiative of President Roh Moo-hyun, the United States agreed on a date in April 2012 by which to complete arrangements that would allow South Korea to exercise operational control over its own forces in wartime as well. Associated with this change, the governments agreed to replace the U.S.-ROK Combined Forces Command (CFC), led by a U.S. general, with two separate but fully coordinating U.S. and ROK commands, each under its own leadership. Since reaching the agreement, the two governments and militaries have engaged in systematic and intensive planning, consultation, and exercises to ensure that the alliance's ability to deter aggression and defend the ROK will be enhanced when the transfer is made.

Many Koreans, especially conservatives and veterans and some current military and civilian officials, oppose carrying out the transfer as planned. Some question the motives and judgment of progressive South Korean president Roh Moo-hyun in initiating the change. Some fear that the South Korean military will not be ready by 2012, due to underfunding of Korean defense programs. Others fear that the switch from CFC to a cooperative command structure and a Korean-lead defense risks a diminution of the American political commitment to South Korea's security or the wartime fighting efficiency of allied forces. Some believe that North Korea's continuing development of nuclear weapons, which South Korea does not have, requires a U.S.-led defense. Some Korean opponents of the transfer argue for a delay, others for outright cancellation, of the planned switchover.

The USFK Commander, General Walter L. Sharp, addressed such concerns in his testimony to Congress on March 24 of this year.<sup>13</sup> He concluded that the transfer is "on track as planned" and that "militarily" there is no reason the plan cannot be implemented as scheduled. General Sharp reiterated the important and still-valid rationale for this transformative step. It is appropriate that the Republic of Korea, with one of the world's largest and most capable militaries and one of the world's largest economies, should take the lead in its own defense. The United States' political commitment to the Republic of Korea is profound, and will not be diminished, but rather enhanced by the transfer of operational control and other ongoing alliance reforms.

At the same time, the United States must be alert to any unexpected military shortfalls or security developments that could call into question the timing of the planned transfer. We should also be sensitive to Korean public opinion and to the views of Korean military experts, retired senior officers, and other stakeholders in the U.S.-ROK alliance. We note that the United States has a program with the ROK to assess progress toward preparing for the transfer, and that the United States has stressed that the transfer is conditions-based. A careful, ongoing process for assessing the political, security, and other conditions that may affect the timing of the transfer is essential.

Should transition shortfalls be identified, the first resort should be to the already pledged U.S. "bridging capabilities." If that proves inadequate, we should be prepared to consider

the possibility of a delay in the date of the transfer, while retaining the goal of effecting the transfer as early as possible. If a delay proves necessary, the transfer should be rescheduled for a date certain to ensure that efforts proceed for the ROK to take the lead in its own defense and to prevent the issue from arising again as a South Korean domestic political issue that could complicate alliance cooperation. In this regard, we note that the United States spends over 4 percent of GDP on defense while South Korea spends about 2.5 percent. We should encourage the Republic of Korea to increase its defense budget, particularly for capabilities focused on deterring and defending against North Korea.

South Koreans remained uneasy about the U.S. concept of “strategic flexibility,” by which the United States seeks to make the most efficient use of its limited military resources worldwide. Their concerns include the possible reduction of combined deterrent and defense capabilities on the Korean peninsula and the risk of unwanted ROK involvement in a U.S. conflict with a third party if U.S. forces in South Korea are temporarily deployed to a military contingency elsewhere. After considerable acrimony, the United States and the ROK reached basic agreement on the issue in 2006, as stated by their foreign ministers:

The ROK, as an ally, fully understands the rationale for the transformation of the U.S. global military strategy, and respects the necessity for strategic flexibility of the U.S. forces in the ROK. In the implementation of strategic flexibility, the U.S. respects the ROK position that it shall not be involved in a regional conflict in Northeast Asia against the will of the Korean people.<sup>14</sup>

We understand that discussions continue between officials of the two countries, both civilian and military, about the concept of strategic flexibility and its implementation. We urge the Obama administration to be sensitive to South Korean concerns about the concept due to the unique strategic and political circumstances on and around the Korean peninsula.

## Notes

<sup>1</sup> “‘New Beginnings’ in the U.S.-ROK Alliance: Recommendations to U.S. Policymakers,” April 2008. [http://iis-db.stanford.edu/evnts/5343/Revised\\_New\\_Beginnings\\_FINAL\\_April\\_9\\_2008.pdf](http://iis-db.stanford.edu/evnts/5343/Revised_New_Beginnings_FINAL_April_9_2008.pdf).

<sup>2</sup> The White House, “Remarks by President Barack Obama and President Lee Myung-Bak of Republic of Korea in Joint Press Conference,” Seoul, November 19, 2009, [www.whitehouse.gov/the-press-office/remarks-president-barack-obama-and-president-lee-myung-bak-republic-korea-joint-pre](http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-and-president-lee-myung-bak-republic-korea-joint-pre).

<sup>3</sup> The White House, “Joint Vision for the Alliance of the United States and the Republic of Korea,” Washington, D.C., June 16, 2009, [www.whitehouse.gov/the-press-office/joint-vision-alliance-united-states-america-and-republic-korea](http://www.whitehouse.gov/the-press-office/joint-vision-alliance-united-states-america-and-republic-korea)

<sup>4</sup> [www.usitc.gov/publications/docs/pubs/2104F/pub3949.pdf](http://www.usitc.gov/publications/docs/pubs/2104F/pub3949.pdf).

<sup>5</sup> [www.uschamber.com/press/releases/2009/september/090915tradestudy.htm](http://www.uschamber.com/press/releases/2009/september/090915tradestudy.htm).

<sup>6</sup> [www.washingtonpost.com/wp-dyn/content/article/2010/04/11/AR2010041103045.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/04/11/AR2010041103045.html).

<sup>7</sup> [www.whitehouse.gov/the-press-office/remarks-president-state-union-address](http://www.whitehouse.gov/the-press-office/remarks-president-state-union-address).

<sup>8</sup> [www.odakorea.go.kr/eng/include/glance.php](http://www.odakorea.go.kr/eng/include/glance.php).

<sup>9</sup> [www.state.gov/secretary/rm/2009a/july/126373.htm](http://www.state.gov/secretary/rm/2009a/july/126373.htm).

<sup>10</sup> See United Nations Security Council Resolution 1874, [http://daccess-ods.un.org/access.nsf/Get?Open&DS=S/RES/1874%20\(2009\)&Lang=E&Area=UNDOC](http://daccess-ods.un.org/access.nsf/Get?Open&DS=S/RES/1874%20(2009)&Lang=E&Area=UNDOC).

<sup>11</sup> [www.defense.gov/releases/release.aspx?releaseid=13072](http://www.defense.gov/releases/release.aspx?releaseid=13072).

<sup>12</sup> Ibid.

<sup>13</sup> [www.usfk.mil/usfk/Uploads/110/HACMILCON\\_March2010.pdf](http://www.usfk.mil/usfk/Uploads/110/HACMILCON_March2010.pdf)

<sup>14</sup> [www.america.gov/st/washfile-english/2006/January/20060120134614ajesrom0.8530542.html](http://www.america.gov/st/washfile-english/2006/January/20060120134614ajesrom0.8530542.html)





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## About the New Beginnings Project

The New York-based Korea Society and Stanford University's Walter H. Shorenstein Asia-Pacific Research Center launched the nonpartisan "New Beginnings" policy study group on January 10, 2008, to offer recommendations on how U.S. policymakers could expand and strengthen the alliance between the United States and the Republic of Korea (ROK, or South Korea). Composed of former senior U.S. government officials, scholars, and other American experts on U.S.-Korean relations, the New Beginnings project team premised its efforts on the belief that the inauguration of a new South Korean president in February 2008 and a new American president in January 2009 would provide a special opportunity for the two countries to increase mutual understanding and transform the alliance into a global partnership. In a coincidence occurring only once every twenty years, the two new presidents' terms of office would overlap for a full four years. Moreover, the alliance needed renewal and revitalization after years of strain and tension that arose from divergent worldviews of progressive governments in Seoul and a conservative administration in Washington.

Since its establishment, the New Beginnings policy study group has issued a report to the U.S. administration each year. New Beginnings' reports and recommendations reflect insights gained from group conferences as well as individual members' continuing engagement with U.S.-Korean affairs.

## Further Information

For more information about the New Beginnings policy study group for strengthening U.S.-South Korean relations, please visit <http://ksp.stanford.edu> or <http://koreasociety.org>.

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