



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

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The following officials and experts are among those who generously shared their insights on U.S.-Korean relations during our December 2008 visit to Washington, D.C.: Mr. Dennis Wilder, Senior Director for Asian Affairs, National Security Council; Mr. Kurt Tong, Director, Office of Korean Affairs, Department of State, and Ms. Maureen Cormack, Deputy Director, Office of Korean Affairs, Department of State; Mr. John Hill, Regional Director for Northeast Asia, Department of Defense; Mr. Scott Snyder, Director, Center for U.S.-Korea Policy, The Asia Foundation, and Adjunct Senior Fellow for Korean Studies, Council on Foreign Relations; Mr. Bruce Klingner, Senior Research Fellow, Asian Studies Center, The Heritage Foundation; and Mr. Chris Nelson, Samuels International Associates—Washington.

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

Promising Prospects for the U.S.-South Korean Relationship

In these uncertain times, the new Obama administration has an important opportunity to transform our vitally important alliance with the Republic of Korea (ROK, or South Korea) into a broader and deeper regional and even global partnership. South Korean President Lee Myung-bak is committed to the concept, and he has four more years in office to work with President Obama on it. The South Korean public also feels considerable goodwill toward President Obama. South Korea is key to American interests in dealing with North Korea and China, and, as the world’s thirteenth-largest economy, it is a factor in all regions of the world.

On U.S.-ROK relations, the Obama administration inherited a solid foundation on which to build. The Bush administration undertook a number of initiatives to strengthen cooperation with South Korea, including the reduction and realignment of U.S. Forces Korea (USFK) and the negotiation of a bilateral free trade agreement (KORUS FTA). In April 2008, President Bush invited newly inaugurated South Korean President Lee to Camp David, the first time any South Korean leader had ever stayed at the presidential retreat; there they announced agreement to pursue a “twenty-first century strategic alliance.” During the rest of that year, on North Korea policy and other issues, the United States moved to strengthen bilateral coordination with the ROK, as well as trilateral coordination including Japan. In August, Presidents Bush and Lee agreed to launch the WEST (Work, English Study, and Travel) Program, which will allow thousands of Korean university students and recent graduates to come to the United States for eighteen months to study, intern, and travel. In October, Congress upgraded South Korea’s status as a purchaser of U.S. armaments to the “NATO+3” level, a clear recognition of the ROK’s status as a major ally. In November, the United States and the ROK signed a five-year cost-sharing plan for the military alliance, easing an irritant in bilateral relations. The United States also included the ROK in the Visa Waiver Program (VWP), putting the ROK on an even footing with our European and Japanese allies. Finally, in December 2008, the United States applauded the trilateral ROK-Japan-China summit meeting.

The Obama administration is off to a good start. President Obama initiated contact with President Lee immediately after his election and will meet Lee at the G-20 summit in London in April 2009. Hillary Clinton visited South Korea on her first overseas trip as secretary of state to underline support for the alliance. Regarding North Korea policy, the Obama administration reaffirmed the primacy of Six Party Talks and the goal of North Korea's complete and verifiable denuclearization. It designated a distinguished diplomat, Ambassador Stephen W. Bosworth, to guide the administration's North Korea policy, while retaining experienced diplomat Sung Kim as the primary Six Party negotiator.

Despite these positive developments, U.S.-South Korean relations face significant challenges. First, President Lee must cope with difficulties at home that complicate the United States' management of U.S.-Korean relations. Although Lee was elected by a wide margin, his popularity began to decline even before his inauguration and he was opposed not only by progressives but also by some conservatives in the National Assembly. His agreement in April 2008 to the unconditional resumption of American beef imports prompted major demonstrations by South Koreans made fearful by misleading press reports that consuming American beef would cause BSE (mad cow disease). The situation eased after the United States agreed to new South Korean conditions on beef trade, but the protests tarnished the success of Lee's first summit in the United States and further damaged his domestic standing.

Second, the global financial crisis that began in the United States has hit the export-driven South Korean economy especially hard. In the current recession, ordinary South Koreans are suffering, and President Lee, who won election on a pledge to boost annual economic growth to 7 percent, now faces even more severe domestic political and policy challenges. Lee appreciated U.S. government support in the financial crisis, including agreement on a major currency swap and the choice of the G-20, with the ROK as a key member, as a forum for policy coordination. But the South Korean government was disappointed that the U.S. Congress did not approve the KORUS FTA and that candidate Obama objected to provisions of the KORUS FTA.

Finally, there remains residual unease between Seoul and Washington over the handling of ongoing territorial and historical issues. Just before President Bush visited Korea in July 2008, he had to intervene personally to reassure South Koreans that the United States was not taking Japan's side in Korea's territorial dispute with Japan over the small islets called Dokdo in Korean and Takeshima in Japanese. The incident, triggered by a low-level bureaucratic mistake by a technical office in Washington, highlighted Koreans' sensitivity to historical and territorial issues involving Japan. It underscored the need for the United States to exercise great care in handling such matters involving its two allies in Northeast Asia.

Recommendations to the Obama Administration

In light of these developments and the importance of Korea to the United States, members of the New Beginnings policy study group offer the following observations and recommendations to the Obama administration to strengthen and expand the alliance.

Overall Relations

At their upcoming meeting, Presidents Obama and Lee should issue a joint statement pointing the way toward an enhanced alliance between our two countries, both in Northeast Asia and globally. The statement should lay out a long-term vision of cooperation, and specify achievable, concrete goals.

President Lee has made clear he believes that the ROK should play larger regional and global roles, and that the U.S.-ROK relationship should be a key factor in that effort. The United States and the ROK have room for expanded global cooperation in many regions, including Afghanistan, the Middle East, and Africa, and on issues such as nonproliferation, terrorism, energy, climate change, and other transnational threats.

U.S.-ROK Military Arrangements

The changes in the posture of U.S. forces in Korea and in U.S.-ROK military arrangements, begun in recent years, will preserve a strong deterrent vis-à-vis North Korea. At the same time, they will ease longstanding irritants in bilateral relations. Both governments must redouble efforts to implement the realignment of USFK bases, particularly the consolidation of U.S. forces from bases north of Seoul and near the Demilitarized Zone to Pyongtaek and the transfer of USFK headquarters from Seoul. The reduction of uniformed USFK personnel to about 28,000 is appropriate. Any consideration of additional USFK reductions should be based on military requirements, and decisions made in full consultation with the ROK.

The existing U.S.-ROK agreement to transfer wartime operational control of ROK forces from the United States to the ROK in 2012 should be maintained. Some South Koreans oppose the agreement as premature or as diminishing the U.S. security guarantee, but the agreement reflects the ROK's growing military capabilities and will help to keep the alliance politically sustainable over the long run in Korea. The United States and the ROK will periodically review progress toward meeting the 2012 date and can make adjustments as needed to ensure that deterrence and war-fighting capabilities are maintained. Reopening the agreement for political reasons would almost certainly precipitate a major controversy in South Korea with predictably adverse consequences for the U.S.-Korean alliance.

The U.S. government should continue to endorse and fully support USFK's efforts to improve relations with its host communities in Korea, including through increased training and oversight of USFK personnel and exchanges between U.S. bases and local communities. USFK is working to make it possible for most USFK personnel, like U.S. military personnel in Japan and Europe, to live with their families. This will allow for longer tours of duty, increase the morale of our military personnel, and result in improved relations with host communities.

North Korea

How to deal with North Korea will remain the single most important issue facing the U.S.-ROK alliance for the foreseeable future. Over the past two decades, the United States and South Korea have sometimes been out of step on the North Korean nuclear issue; the only beneficiary has been North Korea. The United States should intensify bilateral and trilateral consultation and coordination on North Korea with the ROK and Japan. One thing is certain: a "solution" to the nuclear issue reached over the objections of the South Koreans and Japanese will be unworkable.

Having tested a nuclear device in 2006, North Korea appears less and less likely to give up its nuclear capabilities. North Korean officials have recently told Americans that the United States should get used to their possessing nuclear weapons for a long time to come, and they have toughened conditions for ongoing steps to disable their program. North Korea also appears intent on launching another long-range missile soon, in spite of concerns expressed by its neighbors and the international community as a whole. Kim Jong Il's health crisis last fall appears to have set in motion a succession process under Kim's careful supervision. Pyongyang's sensitivity about this transition may be a major factor behind its increasingly harsh rhetoric and provocative behavior.

In the absence of a credible military option and with sanctions having only limited effect, the United States should continue to use the Six Party Talks and, within that framework, bilateral talks with North Korea to explore whether a new mix of inducements and pressures might achieve U.S. and South Korean goals. The Six Party Talks are necessary because of the regional nature of the North Korea problem, but we should be clear about their limitations. China's priorities can be ranked as follows: stability on the Korean Peninsula, maintenance of North Korea as buffer state, and North Korea denuclearization. Russia's attitude is similarly ambivalent.

Some South Koreans—as well as some Japanese—mistakenly believe that the United States might tacitly accept North Korean possession of a small number of nuclear weapons in exchange for a guarantee of no further North Korean nuclear proliferation. The Obama administration should stress that it would never accept such a situation. A North Korea that retained nuclear weapons would itself remain a serious proliferation risk. It would also serve as a precedent weakening the global nonproliferation regime. The United States should agree to a peace treaty and normalized relations with North Korea only in the context of North Korea's complete abandonment of nuclear weapons.

With the success of the Six Party Talks far from assured, the United States needs over the long term to use the tools of diplomacy and engagement to induce North Korea to open up to the outside world, confident that such exposure will serve to encourage its transformation sooner or later. The United States has nothing to lose from increased people-to-people contact and cultural, social, and sports exchanges with North Koreans. The United States should treat human rights and humanitarian issues on their merits.

The United States also needs to prepare for eventual—possibly near-term—succession in North Korea. Future instability in the North cannot be ruled out; a crisis could arise quickly and take unanticipated turns. Joint preparations by the U.S. and South Korean militaries for such a contingency are prudent and welcome but insufficient. The United States, the ROK, and Japan should seek common understanding at the highest levels on their interests, plans, and capabilities in the event of a breakdown of order in the North. With our allies' understanding, such discussions need to be extended to include China. If China is not yet prepared to engage in these sensitive discussions, the United States and South Korea each should at least convey to China their interests and intentions, to minimize misunderstanding in the event of contingencies in North Korea.

Economic Cooperation

Economic cooperation is a major part of the U.S.-ROK alliance, especially in a period such as the current global financial crisis and economic recession. Economic and trade issues have

consistently been the top concern of the South Korean public regarding U.S.-Korean relations over the past several decades. The current difficulties have put the ROK, and President Lee's administration, under great stress. As the international community confronts the situation and considers reform of global financial, economic, and trade regimes, the United States should support the ROK's increased participation in the process, commensurate with its status as a major economy.

Along with North Korea policy, the KORUS FTA is the most acute issue that President Lee faces in U.S.-ROK relations. His progressive predecessor, President Roh Moo-hyun, negotiated the KORUS FTA, but Lee has enthusiastically supported the agreement even though many Koreans believe it provides wider tangible benefits to the United States than to South Korea. While the American presidential campaign, the financial crisis, the economic recession, and U.S. auto industry difficulties complicate the politics of ratification, the Obama administration and Congress should work for earliest possible Congressional approval.

Passage of the KORUS FTA, which would be the United States' largest FTA since NAFTA, would demonstrate the Obama administration's commitment to free trade as a generator of growth. It would bolster the bilateral relationship, and shore up the U.S. strategic position in Asia. South Korea is already moving rapidly to complete comparable agreements with other major trading partners, including the European Union, which would put the United States at a competitive disadvantage if the KORUS FTA were not enacted.

The United States and the ROK should consult closely at top levels to identify modalities and timing for dealing with the domestic political obstacles to early passage of the agreement in both countries.

People-to-People Exchanges

The inclusion last year of South Korea in the United States' Visa Waiver Program was a historic development in U.S.-ROK relations, and the launching of the WEST student exchange program, also last year, has the potential to add a new dimension to the two countries' ties. Although the WEST program is having birth pains, the U.S. government should support it strongly and work with the ROK to extend a similar program as soon as possible to American youth going to Korea. There are over 100,000 Korean students at all levels already in the United States, but fewer than 2,000 American students in South Korea. Increasing that number significantly would give a long-term boost to U.S.-Korean understanding.

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 a full four years. Moreover, the alliance needed renewal and revitalization after years of strain and tension arising from divergent worldviews of progressive governments in Seoul and a conservative administration in Washington.

Based on meetings with incoming President Lee Myung-bak, his top advisers, South Korean opposition figures, and U.S. officials, the New Beginnings members issued their first report in April 2008.¹ They concluded that changes in South Korean public opinion favorable to the United States and that the policies of President Lee’s new government indeed provided a basis for U.S. efforts to bolster and broaden its relationship with South Korea. New Beginnings members recommended that President Bush, along with President Lee, lay the groundwork to issue a joint presidential statement in 2009 outlining a new vision for the alliance. They also recommended that the United States continue its planned realignment of U.S. Forces Korea (USFK); establish stronger consultative mechanisms on North Korea with South Korea and also trilaterally with Japan; ratify the U.S.-ROK Free Trade Agreement (KORUS FTA) immediately; and offer increased support for people-to-

¹ “New Beginnings’ in the U.S.-ROK Alliance: Recommendations to U.S. Policymakers,” April 2008. http://ksp.stanford.edu/research/new_beginnings_postelection_prospects_for_usrok_relations.

people exchanges, especially by including Korea in the U.S. Visa Waiver Program (VWP). With the exception of KORUS FTA ratification, New Beginnings members are pleased to note, the U.S. and South Korean governments took actions in 2008 consistent with these major recommendations.

A number of unanticipated developments in U.S.-Korean relations in 2008 highlighted the need for continuing attention to the alliance. With the importance of the U.S.-ROK alliance in mind, the New Beginnings group met in Washington, D.C., December 8–10, 2008, with former campaign advisers to President-elect Obama, current U.S. officials, and other experts on U.S.-Korean relations. This report and these recommendations reflect insights gained from those meetings as well as from individual members' continuing engagement with U.S.-Korean affairs.



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Note: **Stephen W. Bosworth**, Dean of the Fletcher School of Law and Diplomacy, Tufts University, and former U.S. ambassador to South Korea, has withdrawn his membership in the New Beginnings policy study group due to his appointment as the new U.S. Special Representative for North Korea Policy. He did not participate in the preparation of this report.

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>. Alternatively, please contact:

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