



U.S.-Korea Relations:
Obama's Korea Inheritance

Victor Cha
Georgetown University/Pacific Council on International Policy

The last four months of U.S.-ROK relations under the Bush administration saw the completion of a mission that helped to define the broadening global scope of the alliance as well as the final resolution of the troublesome “beef issue.” Tough negotiations were completed on a new defense cost-sharing agreement and the ruling party in the ROK began the process of passing the implementing legislation for the free trade agreement. All of this amounts to President Obama's inheritance of an alliance relationship that is in fairly strong shape, but a North Korean nuclear negotiation that remains unfinished. Despite the best efforts of the U.S., Pyongyang remained unwilling to accept standard verification procedures as part of the six-party denuclearization agreement. This was despite the fact that on Oct. 11, the U.S. removed the country from the terrorism blacklist. Obama's team will need to adhere to seven key principles as it continues to navigate the labyrinth of these difficult negotiations and bolster the strength of the alliance.

The alliance: packaged for the transition

The last quarter of 2008 saw the completion of several issues that will allow for a well-packaged transition of the alliance to the next administration. In December, the Republic of Korea (ROK) completed successfully its four-year deployment to Iraq in a welcome home ceremony with music and military honors. This mission, perhaps more than anything else, truly defined the broadening scope of the alliance relationship. The ROK had at its peak some 3,600 troops in Iraq (Irbil), constituting the third largest ground contingent behind that of the U.S. and the British. The ROK also had a supporting air force unit in Kuwait. While their mission was primarily humanitarian, in later stages ROK forces played an important role providing protection to high-value assets including U.S. Agency for International Development and United Nations officials. They also engaged in training and equipping Iraqi forces and other coalition partners. Critics might argue that Seoul's motives for participating in Iraq were hardly global and entirely parochial (Roh Moo-hyun only agreed to the deployment despite protests at home because he perceived it as a quid pro quo for U.S. flexibility on North Korea); nevertheless, the troops were dispatched, they performed well, and thereby set a new standard for ROK participation alongside the U.S. in areas around the world where interests converge based on common values. This is a critical component of the alliance's future resiliency.

On trade issues, the quarter saw an announcement by major Korean food retailers about the reintroduction of American beef on their shelves for sale to consumers. While the decision to reopen the ROK market to U.S. beef imports took place last spring, many of the major supermarket chains did not stock the cheaper and higher quality commodity largely for fear of

violent protests by activist groups. Predictably, the beef began selling immediately once it hit the shelves and this appears to put an end to an ugly ordeal that became politicized beyond reason – at least until the next shipment of beef with bone chips is found. On the Korea-U.S. (KORUS) free trade agreement (FTA), the ruling Grand National Party sought to begin the process of passing the implementing legislation for the agreement, which was met with violent opposition from Democratic Party legislators. Seoul's moving forward with the FTA might look like an attempt to pressure the incoming U.S. administration or an attempt to pre-empt any future renegotiation of its terms, but ruling party legislators have assured U.S. interlocutors that this is not their intention. Indeed, numerous interactions among alliance watchers on both sides of the Pacific and several blue-ribbon commissions appear to have reached a conventional policy wisdom that the FTA will not see the light of day in 2009 (i.e., at least for the first year of the Obama administration). Whether this is correct or not, the key point is that the Lee Myung-bak government understands that even as it moves forward with the FTA at home, patience is necessary with regard to the U.S. and that a full court press on Obama in his first months in the Oval Office will not set the alliance off on a good start.

The most painful and difficult negotiations in the alliance are over defense cost-sharing. Each time these talks take place both sides get angry, walk away from the table, threaten that the alliance's fate hangs in the balance, and appeal to their higher-ups to use political intervention to force the other side's hand. Negotiators will tell you that the negotiations are this way precisely because they are about "real things" – i.e., money. Yet invariably, after several nail-biting rounds these talks always reach a hard-fought conclusion that works well for the alliance – again, because the negotiations are about real things – money and the strength of the alliance (unlike the Six-Party Talks, some might quip). In late December, the U.S. and ROK concluded a new Special Measures Agreement (SMA) effective January 2009. The agreement covers five years beginning with Seoul providing \$585.4 million to cover the cost of keeping U.S. forces in Korea next year, with future contributions in both cash and goods tied to the consumer price index. In November, another longer term accomplishment in the alliance came to fruition with the first visa-free travel to the U.S. as South Korea qualified for the U.S. visa waiver program.

In all, these developments offer a fitting end to the Bush administration's shepherding of the alliance over eight years: an unprecedented expansion of the alliance's global scope, the conclusion of the largest bilateral free trade agreement, the implementation of visa waiver, and the conclusion of a new SMA and major base relocation agreement. These accomplishments package up the alliance nicely and leave Obama with a strong foundation upon which to begin.

"You'd have to be an idiot to trust the North Koreans"

Secretary of State Condoleezza Rice's above comment at the Sons and Daughters event at the Council on Foreign Relations in New York in December pretty well summed up the reasoning behind the inconclusive ending to the last round of Six-Party Talks in 2008. The U.S. held a series of consultations with the allies, Japan and South Korea, and then with the North in preparation for the December round of talks to nail down a verification protocol for the North's nuclear declaration. The troublesome issue appeared to be the North's unwillingness to agree in writing to all of the elements of a standard verification agreement – site visits, interviews with scientists, documentation, and especially sampling of materials. The absence of an agreement on

verification made it difficult to declare the conclusion of the “second phase” of the Six-Party Talks, which would have then allowed the Obama administration to begin the third or dismantlement phase of the negotiations with the verification protocol in place.

North Korea’s unwillingness to agree to a written document crafted by the Chinese became apparent almost immediately at the recent round of talks in Beijing. North Korean negotiators apparently were interested only in getting commitments from other parties about the continued supply of fuel shipments even as Pyongyang was unwilling to accept a verification protocol. This intransigence was despite a highly controversial decision by the Bush administration in October to remove North Korea from the terrorism blacklist. U.S. negotiator Christopher Hill’s last-ditch attempt to break the logjam reflects a fundamental dilemma of “relative reasonableness” the U.S. continually faces in implementing Six-Party Talks agreements with the North. What this means is that every agreement in the Six-Party Talks process is negotiated with painstaking care as parties hammer out specific quid pro quos and synchronize steps and timelines with concomitant rewards and penalties. Yet, sooner or later, Pyongyang plays brinksmanship and demands more than it was promised or does less than it should. In this instance, a “verifiable nuclear declaration” – emphasis on verifiable – by the North was the clear understanding of all parties to the talks dating back to the September 2005 Joint Statement. Nevertheless, Pyongyang eventually chose not to agree to standard verification schemes. While everyone accepts that the DPRK is being completely unreasonable, they also realize that a failure of the agreement could mean the failure of the Six-Party Talks and the precipitation of another crisis. To avoid this, the parties end up pressing the U.S., knowing full-well that the DPRK is at fault and traversing the bounds of fairness and good faith, but certain that the only chance of progress can be had from U.S. reasonableness rather than DPRK unreasonableness. The result is that any additional U.S. flexibility is widely perceived in the region as evidence of U.S. leadership (except perhaps in Tokyo), but is viewed in Washington as some combination of desperation and weakness.

Holding out for a written verification protocol was the right move by the Bush administration even as he leaves the Obama administration with an unfinished second phase negotiation. Nevertheless, Bush will leave the remnants of a workable nuclear disablement process rather than a full-blown crisis. This process is hardly any consolation to those who believe we should end this charade of trying to negotiate away Kim’s weapons and instead resort to financially strangling the regime, especially as its leader is in poor health. But collapsing the regime is costly, and holding out for a Libya-type wholesale disarmament is not possible. Meanwhile, Obama will inherit a situation in which U.S. and international inspectors are on the ground in North Korea learning more about their nuclear secrets, while slowly disabling and degrading Kim’s nuclear capabilities. In this regard, the last round of Six-Party Talks constituted another yard gained in a slow ground game, with the ball soon to be handed over to the next team.

Looking forward: seven principles for Korea

Korea will be only one of many hot button issues the new administration must contend with. It is not likely to be priority issue even with the fluid situation regarding the negotiations over the North Korean nuclear program. Some basic principles should guide the new team’s focus amid the dizzying array of international and domestic issues it must address:

- **Results, not tone:** The new team must remember that the process of the U.S.-ROK alliance can at times be ugly, with demonstrations and occasional expressions of anti-Americanism. But historically, the results in terms of cooperation in Asia and around the world have almost always been positive.
- **Intrinsic, not strategic:** The alliance with South Korea should be viewed as more than a defense against North Korea. It should be seen as a vibrant democratic partnership in Asia and a worldwide contributor to the counterterrorism, clean energy, and development agendas.
- **Run, don't coast:** The new team must continue to push the alliance's scope to the regional and global, rather than just peninsular. The alliance has both the capabilities and the political will, based on common democratic values, to operate everywhere from Central Asia to the Middle East.
- **Tend the garden at home:** Even as crafters push the alliance, they must also ensure that the redesign of the military elements of the alliance are completed and remain sensitive to runaway populism in Korea.
- **Finish the KORUS FTA:** This may be difficult for President Obama in his first year in office, but the new team must remember that expectations are high that this represents a new phase in the alliance's history. Its failure may damage the alliance as well as views of U.S. leadership in Asia.
- **Test North Korea:** Obama must pick up the Six-Party Talks process with a negotiation strategy that pushes the North to denuclearization while demonstrating U.S. political commitment to the process. That is the best way to build a multilateral coalition for punishment if the negotiation fails.
- **Keep an eye on the prize:** Remember that the ultimate prize is not denuclearization but managing an eventual "inheritance" process where a united Korea, free and democratic, is an engine of peace and economic growth in Asia and a global partner of the U.S. in world affairs.

Chronology of U.S.-Korea Relations

October-December 2008*

Oct. 1-2, 2008: Christopher Hill, chief U.S. negotiator for the Six-Party Talks, visits Pyongyang for talks on nuclear disarmament.

Oct. 3, 2008: U.S. State Department spokesman Sean McCormack reiterates that a verification protocol is an "irreducible component of the six-party process moving forward."

* Compiled by Peggy Hu

Oct. 3, 2008: ROK Defense Ministry states that the U.S. has asked for a delay in the schedule to relocate U.S. military bases in South Korea by up to four years due to budgetary constraints.

Oct. 3, 2008: Assistant Secretary of State Hill meets South Korean counterpart Kim Sook to discuss Hill's visit to Pyongyang. Later, he meets his Japanese counterpart Saiki Akitaka for similar discussions.

Oct. 4, 2008: U.S. Assistant Secretary of State Christopher Hill meets Chinese Vice Minister of Foreign Affairs Wu Dawei in Beijing to discuss the outcome of his negotiations with North Korean officials.

Oct. 8, 2008: U.S. Secretary of State Condoleezza Rice insists that North Korea must meet proper standards for verifying its nuclear disarmament, while declining to comment on the outcome of talks that Secretary Christopher Hill held with North Korean officials.

Oct. 8, 2008: *Yonhap* reports that North Korea fired two short-range missiles into international waters in the Yellow Sea as part of a routine military drill. State Department spokesman McCormack states that the U.S. advises against the firing of short-range missiles because "It's not helpful in any way managing tensions within the region."

Oct. 9, 2008: North Korea bars international nuclear inspectors from all parts of its Yongbyon nuclear complex and threatens to restart its reactor.

Oct. 11, 2008: U.S. removes North Korea from its list of state sponsors of terrorism. State Department spokesman McCormack states that "Every single element of verification that we sought going in is part of this package."

Oct. 13, 2008: North Korea lifts its ban on International Atomic Energy Agency (IAEA) inspections and announces that it will continue to disable Yongbyon nuclear facilities.

Oct. 14, 2008: IAEA inspectors reseal equipment and reactivate cameras at the Yongbyon nuclear complex.

Oct. 14, 2008: U.S. Undersecretary of State for Political Affairs William Burns, South Korean Deputy Foreign Minister Lee Yong-joon, and Japanese Deputy Foreign Minister for Political Affairs Kenichiro Sasae meet in Washington to discuss trilateral security cooperation issues, including Iraq, Afghanistan, the Northeast Asian political situation, regional cooperation, and major international security issues.

Oct. 16, 2008: The ROK Justice Ministry announces that U.S. Forces, Korea (USFK) has refused to share the expenses the Korean government was forced to pay for lawsuits involving U.S. military activities. USFK's says the Status of Forces Agreement allows it to differ from the Korean court's decision if it was out of sync with its own judgment.

Oct. 17, 2008: President George W. Bush announces South Korea's entry into the Visa Waiver Program, which allows Korean citizens to stay in the U.S. for up to 90 days without visas.

Oct. 17, 2008: Following the annual U.S. – ROK Security Consultative Meeting (SCM) held in Washington, Secretary of Defense Robert Gates affirms that the U.S. remains committed to defending South Korea, that its armed forces would respond “quickly with appropriate military power in case of a military emergency, and that South Korea will continue to receive the protection of the “U.S. nuclear umbrella”.

Oct. 17, 2008: A ship carrying a delivery of food aid comprised of 20,000 tons of corn and 5,000 tons of beans departs from the U.S. and is scheduled to arrive in North Korea on Nov. 18.

Oct. 19, 2008: The ROK Defense Ministry announces that South Korea and the U.S. will, for the first time, conduct a joint search of the demilitarized zone (DMZ) for soldiers buried during the Korean War.

Oct. 23, 2008: Secretary Hill states that on-site inspections of North Korean nuclear facilities should start as early as the end of the year after Six-Party Talks delegates approve a recent U.S.-DPRK agreement on how to check information Pyongyang provides about its nuclear activities.

Oct. 30, 2008: Negotiations between the U.S. and South Korea regarding how to share the cost of maintaining 28,000 U.S. troops on the Korean Peninsula conclude without substantial results.

Nov. 3, 2008: *Rodong Simmun* reports that the DPRK will further strengthen its defense capabilities against a nuclear threat from the U.S. in response to the U.S. Air Force's Oct. 24 announcement that it would create a nuclear command.

Nov. 5, 2008: Lee Hye-min, South Korea's chief free-trade regulator, warns President-elect Obama that renegotiating the U.S.-ROK FTA would contradict international custom and potentially damage “the balance that was achieved when the deal was reached.”

Nov. 6, 2008: Sung Kim, U.S. State Department's special envoy for North Korea, and Ri Gun, North Korean Foreign Ministry's director for North American affairs, meet in New York to discuss the next steps in implementing Pyongyang's pledge to dismantle its nuclear program.

Nov. 7, 2008: During a telephone conversation, President Lee and President-elect Obama agree to further reinforce the bilateral alliance and to closely cooperate in addressing the global financial crisis and the North Korean nuclear issue.

Nov. 7, 2008: *AP* reports that a North Korean diplomat states that North Korea is ready to deal with any new U.S. administration following Obama's election victory, and that the DPRK will be open to dialogue if the U.S. seeks it.

Nov. 10, 2008: State Department spokesman Robert Wood expresses U.S. thanks to South Korea for the *Zaytun* Division's contribution to Iraqi stabilization.

Nov. 11, 2008: President Lee states that he would not oppose a summit between President Obama and North Korean leader Kim Jong-il if it helps bring an end to North Korea's nuclear program, supporting a statement made by Obama during his campaign that he would be willing to hold direct talks with the DPRK.

Nov. 12, 2008: U.S. ships 50,000 metric tons of heavy fuel oil to North Korea as part of the nuclear disarmament deal.

Nov. 13, 2008: North Korean Foreign Ministry states that it will not allow outside inspectors to take soil and nuclear waste samples from the Yongbyon nuclear facility.

Nov. 13, 2008: U.S. and ROK celebrate the 30th anniversary of the Combined Forces Command. CFC Commander Gen. Walter Sharp states that despite the pending deactivation of the command in 2012, the defense capabilities of the U.S.-ROK alliance would continue to improve.

Nov. 14, 2008: President Lee meets former Secretary of State Madeleine Albright and former Representative Jim Leach, two top aides to President-elect Obama, "to exchange views on various issues of mutual interest, including ways to overcome the global economic crisis."

Nov. 18, 2008: The *Donga Ilbo* reports that the U.S. plans to complete the relocation of U.S. troops from Yongsan Garrison and Gyeonggi Province to Pyeontaek by 2016, citing the impossibility of advancing the schedule due to budget and technical problems.

Nov. 19, 2008: The *Kyungyang Shinmun* reports that a verbal deal reached between the DPRK and the U.S. last month would allow inspectors to take samples from the Yongbyon nuclear complex, but only after it enters the next phase of the denuclearization process.

Nov. 22, 2008: The U.S. and ROK reach an agreement on how cost sharing for operating U.S. military bases in South Korea over the next five years, with the ROK expected to increase its financial contribution by the same proportion as the local inflation rate for each year until 2013.

Nov. 24, 2008: Special Envoy Sung Kim states that "There is no confusion between Washington and Pyongyang on what was agreed" regarding disarmament verification.

Nov. 26, 2008: Secretary of State Rice states that the purpose of the Six-Party Talks scheduled for Dec. 8 is to codify the "number of assurances and a number of understandings" regarding the disarmament verification protocol.

Dec. 4, 2008: Secretary Hill meets with his DPRK counterpart Kim Kye-gwan in Singapore to discuss the protocol of verification, fuel delivery, and schedule of disablements prior to the start of the Six-Party Talks.

Dec. 8-11, 2008: Six-Party Talks are held in Beijing, focusing on drafting an agreement on verification protocol. China circulates a draft protocol for verifying Yongbyon's nuclear information. However, talks conclude with no written agreement regarding the denuclearization verification protocol.

Dec. 9, 2008: U.S. Department of Defense spokesman Stewart Upton states that a DOD report that characterizes North Korea as one of five Asian nuclear powers “does not reflect official U.S. government policy regarding the status of North Korea.”

Dec. 12, 2008: The DPRK threatens to slow disablement of its Yongbyon nuclear facility after the U.S. announces it will suspend fuel aid due to the DPRK’s refusal to accept a nuclear disarmament verification plan.

Dec. 16, 2008: Secretary of State Rice states that the Bush administration is committed to continuing to work toward written commitments on inspections of the DPRK’s disarmament program until President Bush’s last day in office.

Dec. 18, 2008: Adm. Timothy Keating of U.S. Pacific Command states that North Korea possesses intercontinental ballistic missiles capable of reaching the U.S., including Hawaii and territories of the U.S. in the Pacific.

Dec. 19, 2008: The last 520 South Korean soldiers depart Iraq, ending South Korea’s four-year mission to the country.