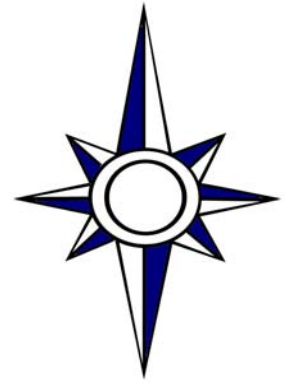


# Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



## U.S.-Korea Relations: The Late Night Phone Call

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The quarter ended with the question of whether President Obama's first late-night crisis phone call – the metric for leadership bandied about during the campaign – would be over a ballistic missile test by North Korea. The suspenseful end to the quarter contrasted with its quiet start where the focus of U.S.-ROK bilateral relations was on initial contacts between the Lee and Obama administration teams and policy coordination over the global financial crisis, while the North Korea missile launch issue slowly but steadily moved from a simmer to a slow boil. However events unfold, the launch itself gives the new administration its first taste of North Korean bad behavior and confronts it with the problem of finding the right balance between under- and over-reaction that is needed to move denuclearization negotiations forward.

### Getting to know you

U.S.-ROK relations during the period largely consisted of initial contacts with the new administration in Washington. Unlike the past, the Koreans generally used a light touch, keeping the meetings informal and avoiding pressure on burning agenda items too early on a government not yet in place. The precedent that everyone sought to avoid was the first meeting between Kim Dae-jung and George W. Bush, when the ROK leader invited himself for an early visit to press his “Sunshine” policy on the new U.S. president. The infamous results of that meeting led to considerable caution on Seoul's part this time. The burning issue today is not “Sunshine” but, of course, the Korea-U.S. (KORUS) Free Trade Agreement (FTA). Some early and informal visits by members of the Lee team to Washington helped to chart a go-slow path on the FTA, upon which the two governments appear to be coordinated.

Even before Obama's inauguration, former academic and Deputy National Security Advisor Kim Tae-hyo led a small senior delegation to Washington in early January to meet Bush officials, but also advisors to the new administration. The discussions held at CSIS, among other places, allowed for a frank exchange of views on areas where Koreans looked to see continuity from the new government (e.g., base realignment, OPCON transfer), and potential areas where there might be change (e.g. FTA, North Korea, Afghanistan). On Feb. 3, President Lee Myung-bak phoned President Barack Obama ostensibly to discuss the financial crisis and North Korea, but the call largely served the purpose of establishing dialogue between the two leaders. Lee's phone call was followed about one week later by a visit of National Security Advisor Kim Seung-hwan to Washington to meet his counterpart Jim Jones. Obama officials were careful to stress commitments to the Six-Party Talks and alliance coordination to sooth any anxieties by Seoul that the new administration would privilege high-level bilateral talks with the North.

To the delight of Asia hands, Secretary of State Hillary Clinton broke with tradition and made her first overseas visit to Asia. Also careful to allay misplaced concerns in Asia that Democratic administrations gravitate to a China-first policy, the secretary made Japan her first stop and helped to ensure that Prime Minister Aso Taro would be the first foreign leader to visit Washington. Clinton's meetings in Seoul by all accounts were good. The two governments worked to ensure that the "FTA breakdown" would not be the headline of her visit. Indeed, considering her position during the campaign on the FTA and the degree to which this became one of the distinguishing issues in Asia policy of the two parties, the fact that it was not the focus of the visit is testament to careful issue-management and message-control on both sides.

Clinton used the Seoul stop to announce the appointment of Fletcher School dean and former Clinton administration official Stephen Bosworth as her senior envoy for North Korea. This led to some confusion among the six-party governments and in the press about who exactly was Bush's Six-Party Talks negotiator Christopher Hill's replacement: Bosworth or Ambassador for Six-Party Talks Sung Kim. There was also speculation about whether Bosworth's part-time appointment to the position signaled a downgrading of the issue for the Obama administration. Since then, Obama officials have made clear that Bosworth will be fully engaged in the policy and intimated that his role will be to reach higher up in the DPRK leadership (beyond six-party negotiator Kim Kye-gwan) in bilateral discussions. This was evident in Bosworth's first trip to the region in which he made clear a willingness to meet with the North bilaterally. Meanwhile, Sung Kim will manage the daily activities of implementing the 2005 Joint Statement and February 2007 Disablement Agreement. Speculation is nonetheless likely to continue until an actual round of Six-Party Talks takes place. Regardless, both are integral to the process. Bosworth offers a very senior official who could garner a counterpart in Pyongyang like Kang Sok-ju. Sung Kim is critical in no small part because he is probably the only official who has full knowledge of the history of the negotiations, much of which took place informally and without interagency input in the last months of the Bush administration.

Secretary Clinton's most notable statements during her Seoul trip were the informal ones. When asked during one of her press availabilities on the plane if she would be discussing potential unification planning with her counterparts in Seoul and in Beijing, her response effectively said that given the situation of the leadership in Pyongyang and overall potential volatility of the situation, it would be natural to discuss the future of the peninsula with interested parties. In one fell swoop, she managed to wipe away all the taboos that had been previously associated with U.S. officials mentioning the obvious when it came to the future of Pyongyang. And she did it in a commonsense way that disarmed any potential criticisms that the U.S. was intimating regime change. In this regard, she used well one of the advantages that the Obama administration had over its predecessor – she associated the U.S. with an interest in unification that was not reflexively viewed as a neoconservative strategy for regime overthrow in the North.

There were convergent reasons for Clinton's path-breaking first trip to Asia. Among these were the proximate need to coordinate policies with Japan and China on the financial crisis; a calendar that already had her accompanying the president to Europe soon thereafter for the G20 meeting; and a set of senior envoys who were already on the ground South/Central Asia, the Middle East, and other parts of the world. Nevertheless, the visit set a good precedent for future principals and sent a message that Asia matters. For this, she deserves credit.

The G20 meeting in London afforded the opportunity for Presidents Obama and Lee to meet for the first time on April 2. They discussed a range of issues headlined by the global economic crisis. Korea has a \$30 billion currency swap arrangement with the U.S. and there are indications that it sought more from the U.S. to avoid a liquidity crunch. The main deliverable of the meeting was an agreement for Obama to host Lee in the U.S. on June 16. Meeting to agree to meet is actually quite important. Periodic meetings help to build rapport between the two leaders and creates the habit of consultation that all U.S. allies desire. More important, it sets a three-month time frame for the bureaucracy to come up with deliverables based on the broader directives coming out of the leaders' discussions.

The two leaders made all the right noise about joint commitments to strengthen the alliance for the challenges of 21<sup>st</sup> century and to push the alliance to expand regional and global cooperation. But the key issue was the KORUS FTA. The language used in the joint statement about "working together to chart a way forward" offers some hope for the process. The reference to "avoiding protectionism and economic nationalism" was the type of compromise language that allowed both sides to claim some progress. Washington could claim that it represented an ROK commitment to avoid perceived unfair trade practices that might continue even under a FTA. Seoul could claim Obama's commitment to avoid succumbing to some of the protectionist rhetoric flowing with the current financial crisis. While this is certainly a suboptimal outcome for most FTA supporters, they can take some comfort that the issue could have been far more poorly framed, especially after U.S. Trade Representative-designate Ron Kirk's fairly negative statements on the Hill during his confirmation testimony created acute concerns in Seoul. Moreover, sounding like you are cooperating and putting FTA passage on a slow constructive track is a lot better than the rhetoric during the campaign. Both sides avoided talking openly about renegotiation (even in press backgrounders), though they will eventually have to deal with this thorny topic.

The references to Obama's appreciation for Korea's work on the global stage, made by the president in advance of his meeting with Lee and included in the joint statement following the meeting, were conspicuous for the absence of any mention of ROK troop contributions since 2003 in Iraq, which peaked at 3,500 and constituted the third largest contingent of ground forces behind that of the U.S. and Britain. This was by far the most significant contribution on the global stage for Seoul since the Vietnam War. Further, while references were made to Korean contributions in Afghanistan and Pakistan reconstruction, nothing specific was mentioned about ROK contributions to the former theater, suggesting any decisions have been punted until the June meeting.

On North Korea, the two leaders reaffirmed the mantra of the Bush administration regarding verifiable denuclearization through the Six-Party Talks and called on North Korea to abide by UN Security Council resolution (UNSCR) 1718 and refrain from launching a long-range missile.

### **The late night phone call?**

The quarter closed without a DPRK test. Yet, the prospect, which lingered, raised the question: if the first late-night crisis phone call fielded by the new president was over a North Korean missile launch, what should be the U.S. response? A missile test would represent the latest in a

string of North Korean bad behavior over the last several months. At the end of 2008, Pyongyang walked away from previous understandings it had reached with U.S. negotiators regarding verification of its nuclear declaration. In early 2009, it spewed fiery rhetoric against South Korea and Japan; in the former case, claiming the nullification of all past inter-Korean agreements. In March, Pyongyang ejected food donor teams from the U.S. who had been part of a landmark agreement to provide 500,000 tons of food. Then the news came of the detainment of two U.S. journalists, Laura Ling and Euna Lee, who had been operating on the China-North Korean border doing a story on human trafficking of North Korean refugees. All these actions are likely manifestations of political fluidity within Pyongyang sparked by Kim's debility.

A DPRK missile test would presumably put pressure on China as past history has shown that when Pyongyang's bad behavior threatens to derail the Six-Party Talks, China as host works harder behind the scenes to bring its neighbor back to the negotiating table. Despite early signs that China would not view an attempted satellite launch by the North as a violation of UNSCR 1718, the US government position (i.e., that a Space Launch Vehicle is a violation) comports with the general understanding reached by all parties to the resolution (including China) when the resolution was drafted in the aftermath of the October 2006 nuclear test. China's lack of action in either the UN or vis-a-vis Pyongyang would be a rather major setback to its post-Beijing 2008 Olympics profile as a global player.

Depending on how successful such a missile test would be, a likely tertiary consequence would be an evolution in views about how best for other countries in the region to adjust to a changing security environment. This would be the third such test of a long range ballistic missile by the North that could spark more statements out of Japan about preemption and security normalization. It could also elicit from a conservative South Korean government, changing views in how to adjust its own security profile to the realities of a nuclear North Korea with ballistic missiles.

How should the U.S. respond? A response must balance the need to punish the North for its behavior but avoid an overreaction that escalates the crisis. Some have recommended that the best path to ending Kim's nuclear ambitions is to offer him a peace treaty and normalized relations with the U.S. thereby ending the Korean War. Such an offer could however give strength to hardliners in Pyongyang as justification for retention of their nuclear weapons, not to mention its negative impact on Japan's views of its ally's security guarantee.

The answer is probably to seek a strong resolution at the Security Council followed by U.S. actions to enforce UNSCR 1718 by the imposition of financial sanctions used in 2005 to 2007, this time designed to target North Korean entities involved in ballistic missile financing. Such a response would not entail an end to six-party diplomacy. Continuing the six-party negotiations is important to continue the disablement and degrading of Pyongyang's nuclear capabilities. But a serious strategy needs to acknowledge the sad fact that the North often respects force more than it does friendship.

George W. Bush said that presidencies are about dealing with the unexpected. For his successor, the known challenges of two wars and a financial crisis may yet be complicated by the unexpected challenge of North Korea.

## **Chronology of U.S.-Korea Relations January-March 2009\***

**Jan. 1, 2009:** State-run North Korean newspapers refrain from issuing their usual blistering New Year's Day diatribe against the U.S. and reaffirm North Korea's commitment to a nuclear-free Korean Peninsula.

**Jan. 5, 2009:** The U.S. agrees to a South Korea-proposed timetable for relocating its military command out of Seoul by 2014, but the sides remain split on when to complete the relocation of a frontline U.S. Army base.

**Jan. 6, 2009:** Opposition members of Parliament end their violent 12-day siege of South Korea's Parliament after successfully delaying a key vote on the KORUS FTA. The ruling Grand National Party (GNP) agrees to postpone the vote until after Obama's inauguration on Jan. 20.

**Jan. 6, 2009:** A team of senior South Korean officials and academics led by Deputy National Security Advisor Kim Tae-hyo arrives in Washington to meet some of Obama's diplomatic aides and Korea experts at Washington-based think tanks.

**Jan. 7, 2009:** U.S. National Security Adviser Stephen Hadley says intelligence officials are growing more concerned that North Korea may be continuing uranium-based activities.

**Jan. 8, 2009:** *New York Times* reports that a group of former Korean prostitutes have accused past South Korean governments and the U.S. military of taking a direct hand in the sex trade from the 1960s through the 1980s.

**Jan. 13, 2009:** North Korean Foreign Ministry calls for "free field access" to ensure there are no nuclear weapons in South Korea. The statement also says that the North will not to give up its nuclear weapons until the U.S. drops its "hostile policy" and establishes diplomatic relations.

**Jan. 17, 2009:** Foreign Ministry of North Korea announces the country would maintain its "status as a nuclear weapons state" as long as it perceived a nuclear threat from the U.S.

**Jan. 17, 2009:** North Korean military declares an "all-out confrontational posture" against the South and threatens a naval clash.

**Jan. 30, 2009:** The Committee for the Peaceful Reunification of Korea, the North's agency in charge of relations with the South, declares all political and military agreements with South Korea void, including the 1991 Agreement on Reconciliation, Nonaggression and Exchange.

**Jan. 30, 2009:** *Yonhap* reports that a South Korean Navy destroyer has sailed into waters near the disputed western sea border with North Korea – the scene of naval skirmishes in 1999 and 2002 – to bolster defenses there.

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\* Compiled by Shin David Park

**Feb. 2, 2009:** The U.S. government imposes two-year sanctions on three North Korean firms for their involvement in the proliferation of weapons of mass destruction.

**Feb. 3, 2009:** President Barack Obama and President Lee Myung-bak have a telephone conversation and exchange ideas on pending issues, including North Korea's nuclear problems and global recession. Obama emphasizes that solving North Korea's nuclear problem through the Six-Party Talks is important.

**Feb. 6, 2009:** *Yonhap* reports that U.S. Forces Korea (USFK) Commander Gen. Walter Sharp proposed in a closed meeting that the Eighth U.S. Army command remain in South Korea rather than move to Hawaii as part of a U.S. global realignment plan, even after Washington hands back full control of South Korean troops to Seoul in 2012.

**Feb. 8, 2009:** The Korean Agency for Technology and Standards (KATS) urges South Korean exporters to strictly follow revised safety rules for children's products bound for the U.S.

**Feb. 11-15, 2009:** National Security Advisor Kim Sung-hwan visits Washington for talks with counterparts from the White House, State Department, and Defense Department.

**Feb. 16, 2009:** Former Prime Minister Han Duck-soo is appointed ROK ambassador to the U.S.

**Feb. 19, 2009:** Secretary of State Hillary Clinton visits Seoul as part of her first Asian tour, meeting with Foreign Minister Yu Myung-hwan to discuss North Korea's nuclear threat and other regional security issues.

**Feb. 25, 2009:** Gen. Sharp, USFK commander, urges South Korea to participate in a U.S. regional missile defense network to thwart the threat posed by North Korea's missile programs.

**Feb. 25, 2009:** Pentagon Press Secretary Geoff Morrell says at a daily news conference, "We feel we are well prepared to defend the South against any provocation."

**Feb. 26, 2009:** During a news conference, Assistant Secretary of State Christopher Hill says that the U.S. will not develop ties with North Korea at the cost of relations with South Korea.

**Feb. 27, 2009:** Gen. Howie Chandler, commander of U.S. Pacific Air Forces, says that radar-evading bombers and fighter jets have been deployed together for the first time in Guam.

**March 2, 2009:** Jeon Jei-guk, South Korea's deputy defense minister for policy, meets with U.S. Deputy Secretary of Defense for East Asia David Sedney in Seoul for the Security Policy Initiative (SPI) meeting.

**March 2, 2009:** A rare meeting between the Korea People's Army and the United Nations Command is held in Panmunjom.

**March 2, 2009:** The office of the U.S. Trade Representative says the Obama administration will move quickly to address issues related to Congressional approval of free trade agreements with South Korea, Colombia, and Panama.

**March 3, 2009:** In response to the upcoming annual U.S.-South Korea military drill, North Korean government newspaper *Minju Joson* says, "Our revolutionary armed forces are fully prepared with combat mobilization posture to sternly strike any provocative maneuvers by the enemies to harm the dignity and safety of our republic."

**March 4, 2009:** The Korean Airport Corporation (KAC) and the Eighth U.S. Army sign a memorandum of understanding that calls for annual antiterrorism drills to better handle explosive materials and to promote bilateral information and technology exchanges

**March 4, 2009:** President Lee says, "It appears from Chairman Kim's recent activities that there are no serious obstacles for him to continue ruling North Korea, and I think it is better to have a stabilized North Korean regime at this point in time for inter-Korean dialogue and cooperation."

**March 5, 2009:** *KCNA*, the official North Korean news agency, warns that "security cannot be guaranteed for South Korean civil airplanes flying through the territorial air of our side and its vicinity" while joint military exercises between the U.S. and South Korea are under way.

**March 6, 2009:** In response to North Korea's warning, State Department Deputy Spokesman Gordon Duguid says, "The North Koreans should be working on their commitments to the Six-Party Talks rather than making statements that are threatening to peaceful aviation."

**March 7, 2009:** Stephen Bosworth, U.S. special envoy for North Korea, meets key South Korean policymakers including Minister of Foreign Affairs Yu Myung-ywan and Defense Minister Lee Sang-hee in an effort to restart talks over North Korea's nuclear program.

**March 9, 2009:** North Korea cuts military communications lines with South Korea in protest of the annual South Korea-U.S. joint military drills.

**March 9, 2009:** Ron Kirk, President Obama's nominee for U.S. trade representative (USTR), says at a Senate confirmation hearing that the FTA deal with South Korea "isn't acceptable" and "not fair," implying a renegotiation of the deal.

**March 9-20, 2009:** The annual U.S.-South Korea joint military exercise *Key Resolve/Foal Eagle* is held. According to the USFK, this year's drill involves 26,000 troops and a nuclear-powered carrier to test the ability to quickly deploy forces in case of a North Korean invasion.

**March 10, 2009:** A U.S. district court rules that South Korean computer memory-chip maker Hynix must pay a U.S. designer company Rambus \$397 million for patent infringement.

**March 11, 2009:** Foreign Minister Yu Myung-hwan says the pending FTA with the U.S. would ultimately serve both countries' interests and expresses hope for swift approval of the deal.

**March 11, 2009:** Secretary Clinton urges North Korea not to launch a ballistic missile, proposing to hold talks on North Korea's missile program as well as Six-Party Talks on ending the North's nuclear ambitions.

**March 13, 2009:** USTR nominee Kirk says he is “generally supportive of the Korea FTA” and pledges to work closely with South Korea to address U.S. concerns over restricted shipments of U.S. beef and an imbalance in auto trade before bringing the FTA to Congress for ratification.

**March 15, 2009:** Shin Je-yoon, deputy finance minister, says South Korea is pushing to expand the size and maturity of its \$30 billion currency swap deal with the U.S. as part of efforts to better prepare for a liquidity crunch.

**March 17, 2009:** Two U.S. journalists who work for former Vice President Al Gore's online news outlet are detained by North Korean guards near the border between China and North Korea. Gore asks Secretary Clinton for help, and according to a senior administration official, “She is very engaged and is following it closely.”

**March 17, 2009:** North Korea refuses to accept further humanitarian food aid from the U.S.

**March 19, 2009:** Gen. Sharp, commander of USFK, tells the Senate Armed Services Committee that “It is both prudent and the ROK's sovereign obligation to assume primary responsibility for the lead role in its own defense.”

**March 19, 2009:** *Yonhap* reports that the U.S. and South Korea have reached an agreement on improving ways to share the burden for cleaning up U.S. military bases in Seoul that were returned to South Korean authorities.

**March 24, 2009:** A North Korean Foreign Ministry official warns that if the U.S. pushes for U.N. sanctions in response to its planned rocket launch, it would quit the already stalled Six-Party Talks and restart a nuclear plant making weapons-grade plutonium.

**March 25, 2009:** Hillary Clinton warns that a missile launch would deal a blow to the Six-Party Talks and would bring “consequences.”

**March 27, 2009:** North Korea places a long-range missile on a launch pad as it prepares for what it claims is a satellite launch in early April.

**March 28, 2009:** Two U.S. *Aegis* radar-equipped destroyers dock in Busan. Rear Adm. Chae Hong-pil of the South Korean Navy says that the U.S. vessels would move into the sea between Japan and Korea to monitor the North Korean missile launch.

**March 29, 2009:** Secretary of Defense Robert M. Gates says that the U.S. has no plans for military action to pre-empt the launching of a long-range missile by North Korea and would act only if the missile or its parts appeared to be headed toward U.S. territory. President Lee says he also opposes any military response to North Korea's impending rocket launch.