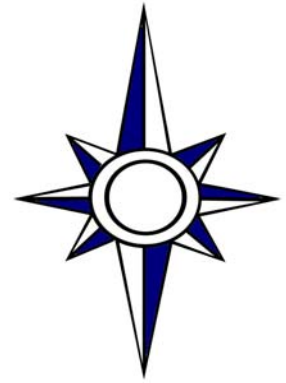


Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



US-Korea Relations: The New Old Reliable

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The final quarter of 2009 included a number of significant developments in US-Korea ties. President Barack Obama made his first trip to Seoul in November, and Special Envoy for North Korea Policy Stephen Bosworth traveled to Pyongyang in December. The summit between Presidents Obama and Lee Myung-bak marked the continuation of an historical high in relations between the two countries. On issues affecting the alliance, Obama and Lee found common ground on North Korea, while they inched forward with the Korea-US free trade agreement. Meanwhile, Bosworth's three days of talks with North Korean officials brought the most encouraging signs of a return to the six-party process since talks broke down at the end of 2008. The Obama administration is faring well on the Korean Peninsula, even as relations with other major powers of the region become more complicated. Those accompanying Obama on his trip to Asia informally acknowledged that Korea was the "best stop" on the trip and sensed a personal connection between the two leaders.

The "good ally"

President Barack Obama's trip to Seoul in November marked the third time in as many months that he met President Lee Myung-bak. After somewhat uneasy visits to Japan, Singapore, and China, the South Korean leg was clearly the easiest and most enjoyable portion of the trip for Obama, according to members of the traveling party. The North Korean nuclear issue and pending KORUS free trade agreement (FTA) dominated the agenda. On North Korea, the two leaders agreed to work toward a return to the Six-Party Talks while vowing to break the failed negotiating patterns of the past. Obama and Lee clearly understand the tired North Korean tactic of taking one step forward followed by two steps back and they have pledged not to tolerate such behavior. While neither president was willing to lay out a timetable or concrete roadmap for the return to talks, both stressed that new negotiations would hinge on whether Pyongyang makes a serious commitment to the six-party denuclearization agreement or reverts to its old tactics of stalling and demanding concessions. During the trip, Obama announced that Ambassador Stephen Bosworth would go to Pyongyang in early December. This advance notice reflected deliberate attempts by the administration to maintain tight policy coordination with allies in Seoul and in Tokyo about next steps with the DPRK.

The KORUS FTA has emerged as an issue that will help define the US-ROK alliance. Signed in 2007, the agreement has yet to be ratified by either country, mainly due to concerns in the US Congress. During the trip, President Obama stated that he would like to see KORUS ratified in 2010, however, he also noted that the highest unemployment rates in recent history and a trade deficit in the hundreds of billions of dollars make it very difficult to push a trade agreement that

is still “flawed” in certain sectors such as autos. President Lee made clear that the FTA, if passed, would lead to an increase in net jobs in the US through increased trade. Moreover, he clarified that the bulk of the US trade deficit is with China, not Korea. Obama seemed to acknowledge the latter point when, during his joint press conference with Lee, he noted that, “There is obviously also a concern within the United States around the incredible trade imbalances that have grown over the last several decades. Those imbalances are not as prominent with Korea, but there has been a tendency I think to lump all of Asia together when Congress looks at trade agreements and says it appears as if this is one-way street.” FTA “optimists” saw this as Obama’s way of acknowledging the great difficulties that the agreement will face in Congress but also instilling hope by suggesting that many of the concerns toward Korea specifically may be erroneous. FTA “pessimists” took the comment to announce the death of the agreement if it meant that it needed to wait until the trade deficit with China was rectified. One of the major sticking points is over nontariff barriers that allegedly keep US automobiles from entering into the Korean market. During the summit, Lee offered that Seoul is willing to “talk again” about autos; mixed signals out of the Korean government leave it unclear whether there can be any renegotiation.

In the end, most informed observers believe the road ahead looks like this: The two sides will have to work quietly over the course of 2010 on a side agreement of some sort on autos. Even if this is done early (and even if health care is off the agenda in Congress), it is not likely that the administration will push the FTA forward until after the mid-term elections in November. This sort of timeline, protracted as it is, will not face much pressure from pro-FTA proponents in Congress or from the private sector. This is largely because all groups are awaiting some sign from the White House of a decision to push forward on the agreement. Without this signal, pro-FTA proponents see too much Congressional opposition to start rallying support. Ironically, even though no substantive progress was made on the FTA, the conversation between Obama and Lee, observers have said, really cemented a bond between the two leaders. They were able to relate to each other as politicians, each explaining the domestic political pressures they faced on the agreement.

More broadly, Obama showed an ease and sense of closeness to Lee that was apparently not evident with other Asian leaders. US ties with South Korea have grown relatively stronger compared to relations with Tokyo. It is too early to assess the long-term implications, but it is clear that both President Obama and Secretary of Defense Robert Gates were more comfortable in Seoul than in any of the other destinations on their respective Asia tours. This was readily apparent both on the surface and inside the issues. It is hard to think of any time in recent history that the US and South Korea are in so much agreement on key issues such as North Korea, the military alliance, and free trade. Meanwhile, the opposite can be said of Washington’s ties with Tokyo. The Futenma base realignment debacle is creating seriously sour feelings, and it is uncertain how this might end up affecting the future of the US-Japan alliance. For decades, Japan served as the unwavering ally and stalwart partner for the US in the region. This is now being tested as the new Democratic Party of Japan (DPJ) government calls for a “more equal” relationship. In any case, there is a distinctly cool tone between the Obama and Hatoyama administrations that we have not seen in the relationship in at least the last couple of decades. If Secretary Gates’ body language is any indicator, the smiles and backslapping in Seoul certainly

convey a different impression than his gruff scowls in Tokyo. At least for the time being, Seoul is the new “good ally” in Asia for President Obama and his administration.

Pyongyang calling

Ambassador Stephen Bosworth, the US special envoy for North Korea policy, made his first trip to Pyongyang in early December. The visit marked the first by a senior US official since October 2008. Bosworth’s goal was to use this bilateral meeting as a means to coax Pyongyang back to the multilateral negotiating table of the Six-Party Talks. The US delegation met with North Korea’s Vice Foreign Minister Kang Sok-ju and chief Six-Party Talks negotiator Kim Kye Gwan. Kang is more closely involved in Pyongyang’s strategic planning process than most North Korean officials that US diplomats have had access to in recent history, so there was some hope that this meeting would allow Bosworth to reach higher into the DPRK decision making structure. In order to achieve that objective, Bosworth carried with him a personal letter from President Obama to Kim Jong-il. The fact of a letter was not made public before the trip and even after press reports confirmed its existence, US officials would not comment on the contents. This was in contrast to the Bush administration when White House spokesperson Dana Perino provided a full readout of the contents of a letter then-President George W. Bush sent to Kim.

Despite the secrecy surrounding the letter, it apparently did not contain any new proposals and was a basic restatement of the deal in the 2005 Six-Party Talks Joint Statement coupled with President Obama’s personal commitment to live up to his side of the bargain. The talks between Bosworth and Kim Kye Gwan were cordial, but many uncertainties still remain. While the dialogue was characterized as “quite positive” and the atmosphere described as “very matter of fact, very businesslike,” Pyongyang did not explicitly agree to return to the Six-Party Talks. According to Bosworth, the North Koreans agreed in principal to a role for the Six-Party Talks, but the two sides could not come to a conclusion regarding when and how the talks would be started. As usual, the core hurdle is that the North wants sanctions (i.e., UN Security Council (UNSC) Resolution 1874) relaxed in return for their reappearance at the Six-Party Talks in Beijing, without taking any real steps on denuclearization. Washington, in response, wants: 1) the North to return to Six-Party Talks (not just bilateral ones with the US); 2) the continuation of UNSC Resolution 1874 sanctions; and 3) verifiable and irreversible denuclearization steps – a three-pronged strategy that is quite similar to that of the Bush administration. The Obama administration deserves credit for steering clear of the stalling tactics that North Korea has employed in the past. Observers stated that Bosworth was not authorized to offer a second bilateral meeting while he was in Pyongyang. Looking to the first quarter of 2010, North Korea will have to start making real decisions about its commitment to the six-party process.

Sanctions not for sale

Just days after Ambassador Bosworth left Pyongyang, Thai officials seized an airplane that had departed from North Korea and was allegedly flying to Iran with a cargo of munitions. Acting on a tip from US intelligence, Thai authorities uncovered the 35-ton cache that reportedly included explosives, rocket-propelled grenades, and missile components. North Korea is forbidden from trading such weaponry under UNSCR 1874, adopted in June, 2009. This was a troubling, if not entirely surprising, signal from Pyongyang after the encouraging talks with

Bosworth. But from the perspective of policymakers in the US in charge of North Korea this was an opportune development that reinforced the message sent by Bosworth in Pyongyang: counterproliferation sanctions are not bargaining chips to be traded for meetings in Beijing, but are part of the North's new reality as long as it holds nuclear weapons. The close cooperation with Thai authorities is an indication of how successful and widespread implementation of UNSC Resolution 1874 has been. Besides the December incident in Thailand, the United Arab Emirates uncovered a cache of alleged banned arms from a cargo ship in July. Even Burma was coaxed into evoking the resolution this past July, forcing a suspicious North Korean cargo vessel that was bound for Rangoon to return to North Korean waters. While it is true that UNSCR 1874 calls for voluntary, not mandatory, enforcement of the arms embargo, a combination of genuine concern and diplomatic pressure from the world community seems to be moving things in the right direction.

Also in mid-December, a group of US business leaders responded to an invitation from the North Korean government and made a visit to Pyongyang to discuss possible investment opportunities. Much to the chagrin of the North Korean officials, the delegation insisted that investment would hinge upon North Korea abandoning its nuclear weapons program. They were predictably outraged by the precondition, and the whole affair may further indicate just how strapped for cash Kim Jong-il's regime is. Most experts estimate that the government receives at least hundreds of millions of dollars, if not over a billion dollars, a year from illicit arms trading. But with broader enforcement of UNSCR 1874, this source of income is becoming less and less reliable. As even private sector investors are hinging their commercial ventures on denuclearization, Kim Jong-il's options are becoming fewer. North Korea may be realizing that there are more consequences to their nuclear program than originally calculated.

Outlook

2010 could put a spotlight on both Six-Party Talks process and the KORUS FTA. We can expect developments in both in the first quarter. South Korean Foreign Minister Yu Myung Hwan recently stated that the Six-Party Talks must resume by the end of February, "otherwise the life of the talks may come to an end." If the talks do indeed restart, they will likely do so without much advance notice. On KORUS, President Obama has said that he would like Congress to consider the agreement in 2010, however, there are some serious doubts over whether there will be any public push by the White House until after the November elections. Keep an eye out for human rights issues in 2010. Newly confirmed Special Envoy for North Korea Human Rights Robert King is scheduled to make his first visit to Seoul in mid-January, when he will meet South Korean officials and human rights advocates. Ambassador King was approved by the US Senate in November. This special envoy position was created under the 2004 North Korean Human Rights Act, which mandates the administration to "support human rights and democracy and freedom of information in North Korea," and to provide "assistance to North Koreans who are outside North Korea."

Chronology of U.S.-Korea Relations

October - December*

Oct. 1, 2009: Speaking at the UN General Assembly, Pak Kil-yon, the DPRK's vice foreign minister, calls on the U.S. to alter its policy toward Pyongyang.

Oct. 1, 2009: US Congress instructs the Government Accountability Office to evaluate if there has been any significant change in the US policy on DPRK refugees since Congress passed the North Korean Human Rights Act in 2004.

Oct. 6, 2009: *Xinhua* reports that DPRK leader Kim Jong-il told Chinese Premier Wen Jiabao that the DPRK "is willing to attend multilateral talks, including the Six-Party Talks, depending on the progress in its talks with the United States."

Oct. 7, 2009: Gen. Walter Sharp, commander of US forces in Korea says the US will transfer wartime control of ROK troops in 2012 despite concerns over a nuclear-armed DPRK.

Oct. 8, 2009: *Washington Post* reports survivors of *USS Pueblo* crew who were tortured in North Korea in 1968 were awarded \$65 million in damage by a federal judge in the District last year and are trying to locate DPRK assets frozen by the US government that they can seize.

Oct. 8, 2009: North Korea's *Minju Joson* denounces recent nomination of a US special envoy on DPRK human rights, calling it part of a hostile offensive motivated by politics.

Oct. 12, 2009: DPRK fires five *KN-02* missiles with a range of 75 km off its east coast.

Oct. 13, 2009: US Secretary of State Hillary Clinton says the US has absolutely no intention of relaxing sanctions against the DPRK before denuclearization.

Oct. 14, 2009: North Korea's *Rodong Shinmun* says "a peace accord should be concluded between the DPRK and the US if the nuclear issue on the peninsula is to be settled." US Assistant Secretary of State Kurt Campbell says US is ready for an "initial interaction" with the DPRK "that would lead rapidly to a six-party resumption of talks."

Oct. 18, 2009: *Korean Central News Agency (KCNA)* says "when the states with the largest nuclear arsenals take the lead in nuclear disarmament, it will positively influence the newly emerged nuclear weapons states in various parts of the world and also contribute to total elimination of nuclear weapons on this globe."

Oct. 19, 2009: US Defense Department press secretary Geoff Morrell says South Korea has made "great contributions" to the execution of the war in Afghanistan but urges it to continue at least the current level of support.

* Prepared with assistance from David Shin W. Park

Oct. 20, 2009: DPRK Vice Foreign Minister Kim Kye-gwan says “We are committing our own efforts for the good result and for the good future of relations between our two nations and for successful talks with the United States and to defend the peace, which is the common goal of our two nations, the Americans and the people of the DPRK, to live as friends.”

Oct. 21, 2009: U.S. Defense Secretary Robert Gates tells ROK troops in Seoul that the DPRK has become a more deadly threat to the region. He also urges the ROK to increase military spending to counter threats from the DPRK and assist with global security.

Oct. 21, 2009: Adm. Robert Willard, commander of US Pacific Command, says the US and other nations must continue to deal with the DPRK’s “unpredictability,” and work through military deterrence and diplomatic pressure to convince its leaders to abandon their nuclear program.

Oct. 22, 2009: Cheon Seong-whun of the Korea Institute for National Unification says the US nuclear umbrella is “fragile” and not enough to shield the ROK from the DPRK’s nuclear threats.

Oct. 23, 2009: The US freezes the assets of the North Korea’s Amrogang Development Bank, which it says is controlled by previously sanctioned Tanchon Commercial Bank. It also designates Tanchon president Kim Tong-myong as a proliferator of weapons of mass destruction and freezes his assets.

Oct. 24, 2009: US Special Envoy for Disarmament Talks Sung Kim meets DPRK envoy Ri Gun to convey the US position on denuclearization.

Oct. 27, 2009: *Rodong Sinmun* accuses the US of stepping up production and deployment of “bunker-buster” bombs to mount a preemptive attack on its nuclear sites.

Oct. 29, 2009: *Radio Free Asia*, quoting an intelligence source, reports that the DPRK’s recent short-range missile tests were a failure with none of the five projectiles reaching its target.

Oct. 30, 2009: South Korea announces it will increase the number of its provincial reconstruction team (PRT) personnel in Afghanistan to 130 to protect civilian aid workers.

Nov. 1, 2009: DPRK Foreign Ministry calls for direct talks with the US.

Nov. 3, 2009: *Korean Central News Agency (KCNA)* reports the DPRK has completed reprocessing spent fuel rods and made “noticeable successes” in weaponizing plutonium.

Nov. 3, 2009: State Department spokesman Ian Kelly says that “reprocessing plutonium is contrary to DPRK’s own commitments” and violates UN resolutions.

Nov. 16, 2009: *Rodong Sinmun* demands US must pull its troops out of the ROK as early as possible, saying the so-called “UN Command” is unjust and it increases the “threat to peace and security” on the Korean Peninsula.

Nov. 17, 2009: US Senate Foreign Relations Committee approves the nomination of Robert King as special envoy for DPRK human rights.

Nov. 18, 2009: President Obama meets President Lee in Seoul.

Nov. 19, 2009: President Obama pledges that the US commitment to peace and stability in Korea “will never waver.”

Nov. 19, 2009: The UN adopts a resolution condemning the DPRK for its “systemic, widespread, and grave violations” of human rights.

Nov. 23, 2009: DPRK urges the US to replace Korean Armistice Agreement with a peace treaty.

Dec. 9, 2009: *Rodong Sinmun* says DPRK nuclear issue resulted from the hostile policy of the US, is “totally bilateral,” and “would be solved spontaneously” after the US drops its anti-DPRK policy, eradicates the military threat against Pyongyang, and stops its nuclear war provocation.

Dec. 9, 2009: Taliban warns the ROK government of “bad consequences” if it dispatches its defense force to take part in the fight against insurgents in Afghanistan.

Dec. 8-10, 2009: Ambassador Bosworth visits Pyongyang and says that the US has reached a “common understanding” with the DPRK on the need to resume the Six-Party Talks and implement the principles outlined in 2005.

Dec. 10, 2009: The DPRK Foreign Ministry says the meeting with the US “deepened the mutual understanding, narrowed their differences and found not a few common points.”

Dec. 12, 2009: Thai authorities seize a cargo aircraft that arrived in Bangkok for refueling from the DPRK with tons of weapons on board.

Dec. 17, 2009: Robert King, US special envoy for DPRK human rights, says that the US will consider resuming food aid to DPRK if it allows monitoring of food distribution.

Dec. 25, 2009: Korean-American human rights activist Robert Park crosses the frozen Tumen River from China into the DPRK, carrying a letter that calls for opening the border so food and medicines can be delivered to DPRK people and releasing all political prisoners.

Dec. 31, 2009: State Department spokesman Ian Kelly says the US is seeking consular access to Robert Park who is being held in the DPRK for illegal entry. He also says that this issue will not affect US efforts to bring the DPRK back to the Six-Party Talks.