

U.S. Policy Toward the Korean Peninsula: Accomplishments and Future Challenges

Scott Snyder, Senior Fellow for Korea Studies, Council on Foreign Relations

The U.S.-South Korea alliance has flourished under Presidents Obama and Lee Myung-bak. In fact, it is difficult to find words of criticism for the alliance in either Washington or Seoul in the run-up to new presidential elections and potential transitions in leadership at the end of 2012. Both leaders have strengthened policy coordination toward North Korea and embraced a Joint Vision for the Alliance in June 2009 that has served to broaden alliance roles and functions beyond the peninsula to an unprecedented degree.¹ In addition, they successfully secured ratification of the Korea-U.S. Free Trade Agreement (KORUS FTA). These two agreements represent a deepening of U.S.-ROK interests and an expansion of cooperation beyond extraordinarily close policy and security coordination toward North Korea, which has traditionally provided the main rationale for U.S.-ROK security cooperation.

The U.S.-ROK alliance has proven to be an unexpected source of relative stability for Obama administration policymakers during a turbulent phase in East Asian relations and heightened tension in relations with North Korea. In comparison with growing concerns over Chinese assertiveness and a preoccupation with internal difficulties in the U.S.-Japan alliance that came into relief following an unprecedented transition in power in Japan from the Liberal Democratic Party (LDP) to the Democratic Party of Japan (DPJ), the level of U.S.-ROK coordination in response to North Korean provocations has mainly been a good news story for the Obama administration. In contrast, the inability of the United States and Japan to implement previously agreed adjustments to U.S. bases in Okinawa became a preoccupation in the U.S.-Japan relationship that obscured the broader security vision

¹ The White House Office of the Press Secretary, "Joint Vision for the Alliance of the United States of America and the Republic of Korea," June 16, 2009.

http://www.whitehouse.gov/the_press_office/Joint-vision-for-the-alliance-of-the-United-States-of-America-and-the-Republic-of-Korea.

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of the U.S.-Japan alliance.² But it remains to be seen how and whether South Korea will be able to capitalize on its increased relative capacity and standing in Washington to carve out a stronger regional role or whether renewed North Korean challenges might inhibit an expanded regional role for the U.S.-ROK alliance.

The next leader of South Korea and the winner of the U.S. election in November 2012 will inherit a stable relationship that holds much promise for further development, but there are also some notable challenges that, if managed poorly, could test recent advances in the U.S.-ROK relationship. Following a review of new developments in the U.S.-ROK relationship at the peninsular, global, and regional levels, this article will examine three major challenges that will test the durability and direction of the U.S.-ROK security relationship: 1) the re-negotiation of a U.S.-ROK bilateral nuclear cooperation agreement, 2) the U.S. rebalancing policy and its effect on U.S.-ROK relations, 3) U.S. policy toward Korean reunification and its ramifications for management of Sino-U.S. relations. Each of these issues involves circumstances that involve apparent contradictions or areas involving potential conflict between the desired direction of U.S. policy on the part of ROK partners and other functional/geographical objectives in U.S. policy.

Developments in the U.S.-ROK Alliance Under the Lee and Obama Administrations

The Lee and Obama administrations have cemented close relations based on an unprecedented convergence of interests between the two countries and an expansion of South Korean capabilities and willingness to work with the United States on economic and off-peninsula non-traditional security issues. Interestingly, these forms of cooperation were initiated under Presidents Roh Moo-hyun and George W. Bush despite the clear gap in world views between the two leaders, but a shared vision for cooperation came to maturation under Obama and Lee Myung-bak. As a result of South Korea's economic growth and democratization, it emerged as a willing and able potential partner of the United States on many issues that extended beyond the main task of the alliance to secure South Korea from potential North Korean aggression. The June 2009 Joint Vision Statement between Obama and Lee Myung-bak set the stage for a relationship bound by "trust," "values," and "peace." It set the tone for an ambitious agenda of expanded cooperation beyond North Korea

² Emma Chanlett-Avery, William H. Cooper, Mark E. Manyin, "Japan-U.S. Relations: Issues for Congress," Congressional Research Service, May 4, 2012.

<http://www.fas.org/sgp/crs/row/RL33436.pdf>.

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on many issues, including global and regional security cooperation and the deepening of the U.S.-ROK trade and investment relationship through the KORUS FTA.

1) North Korea: Consensus in Favor of Denuclearization, But With Little Means to Pursue It

The Lee and Obama administrations both prioritized North Korea's denuclearization as the main challenge on the peninsula and moved in lockstep in response to early North Korean provocations, including an April 2009 failed multi-stage rocket launch, a May 2009 nuclear test, and difficult issues involving individual Americans and South Koreans who had been detained in North Korea. The insistence of both Seoul and Washington on the necessity of North Korea accepting an agenda for talks that included denuclearization as a main agenda item proved to be a major obstacle to the resumption of Six Party negotiations despite the sporadic efforts of both Washington and Seoul to pursue diplomatic dialogue with the North.³ North Korea's sinking of the South Korean naval ship Cheonan in March 2009 and its shelling of Yeonpyeong Island the following November resulted in scores of military casualties and the Yeonpyeong Island shelling took South Korean civilian lives for the first time since the end of the Korean War. North Korea's provocations and the need to closely coordinate a joint response fueled dozens of high-level meetings involving diplomats from Washington and Seoul, as well as an expanded set of joint military exercises designed to reinforce a message of deterrence against North Korean aggression. Plans for U.S.-ROK military exercises drew critical responses in the summer of 2009 not only from North Korea but also from China, while Japan also became involved in exercises with South Korea and the United States, first as an observer and in June 2012 as a direct participant.⁴

North Korea's multi-stage rocket test in April 2009 defined the main themes of Obama administration policy at an early stage. Following North Korea's test, President Obama declared that violations of international law must be punished and pushed for a tough UN Security Council Resolution that authorized states to interdict suspected North Korean shipments related to its nuclear and missile

³ Emma Chanlett-Avery, "North Korea: U.S. Relations, Nuclear Diplomacy, and Internal Situation," Congressional Research Service, January 17, 2012.

<http://www.fas.org/sgp/crs/nuke/R41259.pdf>

⁴ Mark E. Manyin, Emma Chantlett-Avery, Mary Beth Nikitin, "U.S.-South Korea Relations," Congressional Research Service, May 15, 2012. pp. 12-13

<http://fpc.state.gov/documents/organization/191602.pdf>

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programs.⁵ Rather than rushing to dialogue with North Korea, the Obama administration emphasized a regionally-coordinated response that sought to win China's cooperation. But China's decision in the summer of 2009 to strengthen relations with North Korea ran in the face of the Obama administration's sanctions-focused policy.

By the summer of 2011, the United States returned to several rounds of diplomatic dialogue that resulted in the parallel release of American and North Korean diplomatic statements on February 29, 2012. Despite Kim Jong Il's death, the United States and North Korea pledged to exchange IAEA monitoring of its uranium enrichment program for 240,000 tons of food assistance, but that agreement went nowhere following North Korea's March 16, 2012, announcement that it would launch another multi-stage rocket in defiance of UN Security Council resolutions. By the summer of 2012, the Obama administration had virtually exhausted options for coercing North Korea or for dialogue with the new North Korean regime under Kim Jong-un, his father's designated successor, and North Korean rhetoric toward South Korea had become increasingly strident. Both by design and by default, the United States and South Korea maintained close coordination while mulling over dwindling policy options. Since China's approach was at odds with that of the United States and South Korea, and North Korea continued its path of provocations, a consensus grew among policy specialists that regime change would be a prerequisite for progress, yet the risks associated with overt pursuit of regime change carried high costs for near-term stability. The vibrancy of U.S.-ROK policy coordination toward the North owed much to North Korea's own provocative behavior.

2) U.S.-ROK Alliance: An Expanded Scope for Non-Traditional Security Cooperation

The June 2009 U.S.-ROK Joint Vision Statement provided the basis for extending cooperation beyond the Korean peninsula to meet regional and global challenges. The joint vision statement envisions an expanded role for the U.S.-ROK alliance in contributing to international security in a wide range of areas, including post-conflict stabilization, development, non-proliferation, and counter-terrorism. These new forms of cooperation are made possible both by an increase in South Korean capabilities and a Korean willingness to step forward and make such capabilities

⁵ White House Press Secretary, Remarks by President Barack Obama, Hradcany Square, April 5, 2009. http://www.whitehouse.gov/the_press_office/Remarks-By-President-Barack-Obama-In-Prague-As-Delivered

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available as an international public good for use within the international community. The statement anticipates that South Korea should make contributions to international security commensurate with the benefits it derives from a stable global system. But the statement is also so ambitious that it raises questions about prioritization and capabilities within the alliance if indeed it is stretched too thin.⁶

South Korea has determined that it will contribute to international security as a national defense priority based on an assessment of its own interests and global responsibilities in addition to its efforts to ensure security on the Korean peninsula. South Korea's 2010 Defense White Paper identifies "contributing to regional stability and world peace" as one of three national defense objectives, along with "defending the nation from external military threats and invasion" and "upholding the principle of peaceful unification." To support these activities, the Republic of Korea (ROK) has established a three-thousand-person standing unit dedicated to overseas deployments, passed legislation authorizing the deployment of up to one thousand ROK personnel to United Nations (UN) peacekeeping operations (PKO) prior to requiring an authorization request from the ROK National Assembly, and established a PKO center dedicated to the training of military personnel to be dispatched for overseas assignments.⁷ This is a significant new development that shows South Korea's willingness to contribute to international security for the long haul.

The U.S.-ROK alliance benefits from practical forms of cooperation and interoperability that are being honed through practical experience of the sort that cannot be replicated by scenario-based exercises alone. As both countries face the need to more prudently allocate defense budgets, the experience of working together may also produce opportunities to cooperate in ways that do not unduly limit loss of specific capabilities. Moreover, as the United States moves to emphasize greater interaction and lateral networking of capabilities among its Asian bilateral alliances, South Korea's experience working in a multinational environment will prove to be a valuable base of experience from which to operate.

South Korea's enhanced capability and willingness to contribute to the provision of international security improves its value as a partner to the United States, which in turn adds value to the U.S.-ROK alliance and builds greater resiliency and stability into the international system. An enhanced South Korean role in international

⁶ Scott Snyder, ed., *The U.S.-South Korea Alliance: Meeting New Security Challenges*, Lynne Rienner Publishers, 2012.

⁷ Ministry of National Defense of the Republic of Korea, 2010 Defense White Paper, http://www.mnd.go.kr/cms_file/info/mndpaper/2010/2010WhitePaperAll_eng.pdf

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security will provide residual benefits for the development of South Korean experience and capabilities, particularly as one considers the possibility that prolonged instability in North Korea would likely require some of the skills that are necessary to participate as members of international stabilization or peacekeeping operations in other countries. For this reason, South Korea's exposure to many types of fragile or failed-state situations and direct involvement in postconflict stabilization operations may prove to be invaluable practical experience that can be applied to the management of potential future instability in North Korea.

South Korea's willingness to contribute to global security is in line with its international development commitment to triple its development assistance contributions from 2010 levels by 2015.⁸ This commitment comes during a period of fiscal austerity in the developed world that is squeezing the development budgets of many advanced countries. South Korea can offer advanced technical and human resource skills on development and governance related issues based on its direct experience as a former recipient of international aid, and is well positioned to cooperate with the United States on joint projects that can enhance development effectiveness of both countries. Cooperation in international development provides yet another avenue through which the United States and South Korea are able to cooperate on the basis of shared values to provide global public goods.

The expansion of the U.S.-ROK relationship at the global level is based on South Korea's expanded capabilities and expands the scope of U.S.-ROK cooperation at a practical level toward common objectives. Cooperation in these new areas makes the relationship more resilient and relevant in addressing an expanded agenda of common interests that extend beyond the peninsula. However, a notable omission from U.S.-ROK security cooperation thus far is related to opportunities for cooperation within the Asia-Pacific region. South Korea participates in the U.S. administered Rim of the Pacific Exercises, but given shared interests in Asian stability, the United States and South Korea should explore opportunities to expand collaboration in ways that reinforce Asian regional stability and prosperity.

3) KORUS FTA Passage: Catalyst for the U.S. to Jump Start its Asian Trade Policy

The third leg of U.S.-ROK collaboration as it has developed under the Lee and Obama administration related to the ratification of the KORUS FTA. Ratification

⁸ Na Jeong-ju, "Korea to Triple Development Aid by 2015," Korea Times. November 26, 2009. http://www.koreatimes.co.kr/www/news/special/2010/06/242_56183.html

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of the FTA faced an extended period of delay following its negotiation in 2007 under the Bush and Roh administrations. Initially, the hesitation lay with President Roh, who seemed reluctant to pursue ratification of his own administration's agreement with the Korean National Assembly in the closing days of his term. Then, the United States entered a political season during the United States 2008 presidential campaign, during which time the prospects for the U.S. Congress to consider the agreement diminished. The global financial crisis and U.S. recession further delayed consideration of KORUS, both because the main priority became restoration of the U.S. economy and because a newly-elected President Obama had an extensive agenda of items to address with Congress that were prioritized more highly than the KORUS FTA.⁹ To his credit, President Lee was patient, persistent, and flexible with his American counterparts. Lee lobbied for President Obama to push ratification of the KORUS FTA when President Obama visited in Seoul in November 2009, but at that time President Obama worked with Congress to pass health care reform and was not ready for KORUS FTA.

Moreover, the Obama administration came to the conclusion that it wanted to revise some parts of the agreement and sought a further negotiation session to settle outstanding issues that were likely to be a source of Congressional objection. That negotiation occurred following President Obama's participation in the Seoul G-20 in November 2010, and finally resulted in a revised agreement that the Obama administration was prepared to send to Congress. Once again, KORUS was superseded as a priority by negotiations between the administration and Congress on the need to raise the U.S. debt ceiling in the summer of 2011. Finally, Lee Myung-bak's state visit in October 2011 served as an action-forcing event that finally led to Congressional ratification of KORUS FTA, along with FTAs with Columbia and Panama. President Lee's patience and persistence in encouraging President Obama to move on KORUS FTA finally paid off, but it occurred so late in the 18th National Assembly that ratification became a heated political issue in the National Assembly only six months prior to new elections.¹⁰ But the Grand National Party, with its majority, finally pursued unilateral ratification of KORUS at the National Assembly in October 2011 and the agreement went into effect the following March.

⁹ Scott Snyder, "KORUS-FTA and the Need for a U.S. Trade and Investment Policy," Council on Foreign Relations, September 21, 2011. <http://blogs.cfr.org/asia/2011/09/21/korus-fta-and-the-need-for-a-u-s-trade-and-investment-policy/>

¹⁰" The FTA Vote (and Fight) Stall for Now," Wall Street Journal Asia, November 3, 2011. <http://blogs.wsj.com/korearealtime/2011/11/03/the-fta-vote-and-fight-arrives/>

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The passage of KORUS FTA is significant because it greatly expands openness and reciprocity for Korea and the United States in each others' markets and strengthens economic interdependence. KORUS also carries with it strategic significance in that the ratification of KORUS has given life to the Obama administration's efforts to negotiate the Trans-Pacific Partnership (TPP) with eight other countries. But in light of the failure to ratify previously negotiated FTAs, it was hard for counterparts from other countries to believe that TPP was a serious priority for the United States. Ratification of KORUS has breathed new life into the TPP negotiations, which are now drawing interest from Canada, Mexico, and Japan as countries with an interest in joining TPP. The KORUS FTA has revived U.S. trade policy and has allowed the United States to push forward a vision for a high-standard agreement in Asia that might even lead the way toward renewed global trade liberalization.¹¹

Three Major Challenges Facing the U.S.-ROK Alliance

The development of three solid pillars of U.S.-ROK alliance cooperation under Presidents Obama and Lee described above has broadened the scope and resiliency of U.S.-ROK alliance cooperation to the point where President Obama referred to the U.S.-ROK alliance as a "lynchpin" of U.S. policy for the Pacific.¹² But despite these developments, the U.S.-ROK alliance remains constrained in several respects. First, it is not clear whether the Joint Vision for the alliance established by Lee and Obama will be sustained under new presidential leadership on either side. Much will depend on personal chemistry of the South Korean and American leaders and their renewed commitment to strengthening the U.S.-ROK relationship. But even more importantly, new leaders in South Korea and the United States will have to reaffirm their respective approaches to North Korea, to international security cooperation off-peninsula, and further cooperation on promotion of trade liberalization as the basis for further deepening of cooperation in these areas.

There is also another set of tests the alliance will face on three additional issues where U.S. policies toward South Korea are bumping up against other U.S. global

¹¹ Stewart Patrick, "A Revived Trade Agenda?" *The Internationalist*, October 14, 2011.

<http://blogs.cfr.org/patrick/2011/10/14/a-revived-trade-agenda/>

¹² The White House Office of the Press Secretary, "Remarks by President Obama and President Lee Myung-Bak of the Republic of Korea After Bilateral Meeting," June 26, 2010.

<http://www.whitehouse.gov/the-press-office/remarks-president-obama-and-president-lee-myung-bak-republic-korea-after-bilateral->

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and regional policies in ways that may limit potential for U.S.-Korea cooperation. In each of these policy areas, the scope for future cooperation will depend at least in part on whether the United States chooses to treat South Korea as an exception to some other facet of its Asian and global policies or whether U.S.-South Korea policies continue to be pursued within the traditional bounds and constraints of U.S. policies in these other areas. In other words, U.S. willingness to make exceptions for South Korea as it pursues other regional and global policies will signal the level of relative priority that the United States places on South Korea versus other U.S. policy priorities, and these decisions will have a direct impact on the closeness of the relationship. By the same token, the level of South Korean willingness to live within the constraints placed on its own pursuit of policy choices as a result of its alliance with the United States might also be interpreted as an illustration of the level of value that South Korea places on continued alliance cooperation with the United States.

1) U.S.-ROK Bilateral Nuclear Cooperation Agreement

The United States and South Korea are currently in the middle of negotiations to renew their bilateral nuclear cooperation agreement. The previous agreement, negotiated in 1974, will expire in 2014. During the period of the agreement, South Korea has made tremendous strides in developing its own nuclear energy sector, having gradually mastered almost all of the critical construction technologies and processes required to build a nuclear reactor. Since Westinghouse supplied South Korea's first nuclear power unit Kori 1, which began operations in 1978, South Korea has built seven units in cooperation with non-Korean firms, and four since 1999 almost entirely by Korean companies. With its 2009 agreement to build a Korean-version of the AP-1400 reactor in the UAE, South Korea entered the international nuclear energy supply market.¹³

South Korea's impressive advancements in its nuclear energy production capabilities has enabled it to meet its energy demands indigenously and to reduce its energy dependence. As a new nuclear exporter, South Korea is poised to combine its longstanding international construction experience with its experience in developing its own domestic nuclear energy industry to become a major exporter of nuclear power generation capacity, including to the United States. However, South Korea's development of its own nuclear capacity faces a universally shared

¹³ Mark Holt, "U.S. and South Korean Cooperation in the World Nuclear Energy Market: Major Policy Considerations," Congressional Research Service, January 21, 2010.

<http://www.fas.org/sgp/crs/row/R41032.pdf>

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constraint related to the question of how to dispose of radioactive waste materials after they have been used to generate nuclear energy. In the case of South Korea, the current space for storage of such materials will all be used by 2016, so there is an urgent need to address this issue.

South Korean scientists have promoted a form of reprocessing known as pyroprocessing that uses electroreduction as the primary means by which to refine and separate the plutonium from the most toxic and radioactive waste products from nuclear energy. Those scientists have been pushing for South Korea to pursue pyroprocessing as the primary means by which to address the waste problem while preserving the 'clean' plutonium for possible re-use in fast breeder nuclear reactors that might be constructed in the future. However, critics of this type of reactor say that it ultimately produces even more waste while also constituting a significant proliferation risk since additional treatment of the plutonium by-product might result in weapons-grade plutonium that could be used as fuel in a nuclear bomb.

In negotiations with the United States over its new bilateral nuclear cooperation agreement, South Korea has requested that the United States provide advanced consent for South Korea to alter U.S. provided nuclear material in form or content through reprocessing (pyroprocessing) and/or enrichment of nuclear fuel. Both of these processes are relevant to the competitiveness of South Korea's nuclear energy export efforts since other exporters have retained rights to pursue reprocessing and enrichment of nuclear fuel, but the United States on non-proliferation grounds has resisted South Korean requests to gain these rights. As long as South Korea does not gain these rights, there is a theoretical and practical limit on South Korea's ability to address its own waste problems, develop new types of nuclear technology including fast breeder reactors, and to supply nuclear fuel to potential customers as part of supply contracts with other countries. South Korea argues that other allies, such as Japan, and strategic partners, such as India, have already been granted such rights, so a failure to grant South Korea advanced consent to engage in enrichment and reprocessing is a form of discrimination that directly limits South Korea's efforts to develop its own industry. But to grant such rights is to add one more country, no matter how responsible, to the list of potential sources of fuel that could be used to build a nuclear weapon.

The United States and South Korea began negotiations on this issue in 2010, but have reportedly reached an impasse on the negotiations, which are unlikely to resume until after two new administrations take office in early 2013. This timing will leave only a short period of negotiations before the agreement will need to be ratified and submitted for Congressional consideration, as is the case for all U.S.

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bilateral nuclear cooperation agreements. An additional potential hurdle may be that the U.S. Congress is trying to strengthen standards for bilateral nuclear cooperation agreements so as to further restrict U.S. willingness to offer reprocessing or enrichment privileges to U.S. partners. But this effort faces serious challenges as the United States itself is playing a smaller role in nuclear power generation than in the past, with challengers such as China and India developing plants outside the influence of U.S. standards. These countries are likely to emerge as even less proliferation-conscious sources of supply for nuclear energy producing reactors that will directly compete with South Korean products in the nuclear plant export market. So South Korea's commercial interests and lack of long-term high-level waste storage have emerged as major issues in the negotiations. Both sides have too much to lose to allow the agreement governing their cooperation to lapse. Nonetheless, there is currently not an easy way to solve this issue, which, if politicized, could become a source of major conflict between Washington and Seoul. Much will depend on whether the United States is willing to make adjustments in its nonproliferation policies to accommodate Korean interests, or whether U.S. nonproliferation interests ultimately serve as constraints that will limit the development of South Korea's nuclear program.

2) U.S. Rebalancing Policy Toward Asia

The U.S. rebalance toward Asia is a second area where U.S. regional strategy and policies toward Asia may influence the direction and forms of cooperation within the U.S.-ROK alliance. Aspects of this policy may be either a source of opportunity or constraint on the development of the U.S.-ROK alliance. On the one hand, South Koreans have largely welcomed renewed U.S. attention to Asia signified by the Obama administration's rebalancing strategy to the extent that U.S. prioritization of Asia in general terms supports stability and prosperity in the region. On the other hand, there are issues that could be a source of conflict or division between the United States and South Korea as the Obama administration's rebalancing strategy unfolds.

The first area of potential contradiction is related to the U.S. emphasis on a broader geographic distribution of its forces, which might hypothetically draw U.S. attention and resources in the direction of Southeast Asia and the Indian Ocean at the expense of South Korea. This trend could create problems for South Korea in at least three aspects. First, the United States and South Korea will be negotiating a new host nation support package with South Korea in 2013. It is possible that these negotiations could be even more difficult than usual, given both the

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broadening of U.S. scope of operations and policy focus to a regionally-distributed force that covers the whole of the Asia-Pacific rather than a more geographically limited prioritization of Northeast Asia. South Korean defense specialists may already be worried about U.S. efforts to extract greater financial support from South Korea for costs related to the U.S. presence there.

Second, a broader U.S. strategy that encourages horizontal cooperation among alliance partners of the United States has run into some initial roadblocks over South Korean reluctance to establish an agreement for sharing of intelligence information with Japan, a country that would be called on to support U.S.-ROK military operations in the event of a conflict with North Korea. U.S. interests in strengthening the combined defense posture toward North Korea include promoting high levels of cooperation with South Korea, but also with Japan on many rear-area support issues. More effective Japanese involvement in information sharing and logistical support for the United States and South Korea in the event of emergencies would be facilitated to the extent that South Korea and Japan are able to cooperate with each other. The U.S. need for and support of stronger ROK-Japan cooperation through its respective alliances with Seoul and Tokyo have been made clear through U.S. efforts to promote greater trilateral coordination, including maritime exercises among the three countries on humanitarian and disaster relief-related activities. The United States has also supported Korean involvement in U.S. and Japanese joint research and implementation of advanced missile-defense technologies.

In addition to U.S. pressure on South Korea to strengthen horizontal relationships with Japan, the United States may also seek to work together with South Korea to enhance South Korea's role in providing security in the region based on South Korea's increasing capabilities. Thus far, U.S.-ROK off-peninsula cooperation has primarily supported global stability and has occurred outside the Asia-Pacific region. But there may also be possibilities for the United States and South Korea to enhance non-traditional and functional roles, for instance in maritime security cooperation, within East Asia as well.

Third, the U.S. trade strategy reflected in the Obama administration's rebalancing strategy was given a big boost by the ratification of the KORUS FTA, allowing the United States to pursue the Trans-Pacific Partnership credibly as a next-generation, high-standards trade negotiation for the Asia-Pacific. Despite strong criticisms of KORUS by leading opposition politicians, KORUS was initially intended in part as a way of countering or slowing down Korean dependence on China. Now, South Korea is negotiating an FTA with China as well as a regional FTA with China and

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Japan, but South Korea has not yet joined the Trans-Pacific Partnership. In this respect, South Korea may continue to have a pivotal role in determining the future direction and level of regional trade liberalization. How South Korea approaches TPP and its respective FTAs in Northeast Asia will have a direct influence on the economic aspects of the U.S. rebalancing strategy. South Korea's participation could provide much-needed momentum toward broader TPP participation in East Asia, potentially catalyzing greater interest in an inclusive high-standards multilateral trading arrangement including Southeast Asia and China.

3) U.S. Policy Toward Korean Reunification

A third area where U.S. policies toward the Korean peninsula might come into conflict with other U.S. policies in the region is related to the question of Korean reunification. The United States and South Korea have stated a clear vision for Korean reunification on a democratic and market economic basis in the June 2009 U.S.-ROK Joint Vision Statement. This was the first time that the United States had officially made such a clear statement in support of the objective of Korean reunification. But China's primary interest on the Korean peninsula has been to support stability by shoring up a comprehensive relationship with North Korea, presumably in ways that directly conflict with the U.S.-ROK objective of Korean reunification.

To the extent that China sees the Korean peninsula in geo-strategic terms as an object of rivalry with the United States, China's objective of promoting stability on the Korean peninsula ultimately comes into conflict with the U.S.-South Korean shared objective of achieving Korean reunification. At the same time, broader regional stability in the Asia-Pacific is increasingly dependent on Sino-U.S. cooperation to preserve stability and prevent instability in the region. How the United States manages this potential contradiction is directly relevant to Japan's security and the U.S.-Japan alliance: Japan's security is directly related to the situation on the Korean peninsula, but Japan also has a strong interest in a regional security environment that is not characterized by Sino-U.S. confrontation.

Although conflict between U.S. policies toward South Korea and China is not inevitable, how the United States prioritizes the objective of Korean reunification in its respective policies toward South Korea and China will influence the scope, aspirations, and nature of U.S.-ROK cooperation within the alliance. While the United States must avoid an approach to Korean reunification that unnecessarily provokes conflict with China, the scope of U.S.-ROK alliance cooperation should not neglect the fact that both sides have identified unification essentially on South

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Korean terms as a main objective of the alliance. South Korean policymakers realize that Korean reunification is unlikely to be attained without regional cooperation, including with China. But they also realize that South Korea will have little leverage to influence China's stance toward Korean reunification outside the context of strong policy coordination with the United States.

Conclusion

The U.S.-ROK alliance has grown to encompass significant new scope for cooperation, extending both to economic cooperation and to off-peninsula security cooperation. These new pillars of alliance cooperation do not replace North Korea as the primary focus for the alliance, but they do greatly expand the scope and relevance of the alliance to many international security issues that had previously not been relevant to the alliance, thereby expanding the importance and relevance of Korea to the United States and of the U.S.-ROK alliance to global concerns. These developments have heightened the relevance of South Korea as a contributor to global issues and has expanded the ways in which Korea is relevant as a leader in the international community.

However, the continued growth of the U.S.-ROK alliance is also bumping up against other long-standing U.S. policy priorities on specific global and regional issues, including U.S. nonproliferation policy, U.S. rebalancing policy toward Asia, and the relative priority of stability versus unification as an objective on the Korean peninsula, which is of direct relevance to the future of the Sino-U.S. relationship and to broader questions of regional stability in East Asia. How these issues are worked out will be determined largely by new leaderships in South Korea and the United States who will take office in 2013. The success or failure of their efforts will determine whether 2012 marks the peak of the U.S.-ROK security alliance or is only another step in its continued growth and development.