

# A NEW BEGINNING FOR THE U.S.-SOUTH KOREA STRATEGIC ALLIANCE

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## HEARING

BEFORE THE  
SUBCOMMITTEE ON ASIA, THE PACIFIC, AND  
THE GLOBAL ENVIRONMENT  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TENTH CONGRESS  
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## A NEW BEGINNING FOR THE U.S.-SOUTH KOREA STRATEGIC ALLIANCE

WEDNESDAY, APRIL 23, 2008,

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON ASIA, THE PACIFIC,  
AND THE GLOBAL ENVIRONMENT,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:04 p.m. in room 2172, Rayburn House Office Building, Hon. Eni F.H. Faleomavaega, (chairman of the subcommittee) presiding.

Mr. FALEOMAVAEGA. The hearing of the subcommittee on Asia, the Pacific, and the Global Environment will now come to order. I am glad that two of my colleagues are also here with us, Congressman Rohrabacher from the State of California; also from California is Mr. Ed Royce, which we are very happy that they could join us.

I will begin the hearing by giving my opening statement, and certainly our good friends, both gentlemen from California, will be welcome to also offer their opening statements. Hopefully by then my good friend, Mr. Manzullo, will be here.

Today's hearing is entitled, "A New Beginning for the U.S.-South Korea Strategic Alliance." The choice of title is not accidental. This hearing follows on the heels of a successful visit to Washington last week by South Korean President Lee Myung-bak who assumed office on February 25. President Lee chose the United States as his destination for his first official overseas trip.

President Lee also became the first South Korean head of state to be invited to join the United States President at Camp David. During President Lee's visit there were several noteworthy accomplishments that will have a tremendous effect on the U.S.-South Korean Strategic Alliance and relationship.

Among those included the signing of the memorandum of understanding on the Visa Waiver Program, the agreement of the full importation of United States beef into South Korea, and support for the elevation of South Korea's foreign military sales status to that of NATO plus three.

I am sure that these topics will be addressed in detail during today's discussion or hearing. The term "a new beginning" should not be interpreted to suggest that there was a break between the United States-South Korea relationship. Indeed, the history of relations between our two countries, which can be traced back to a treaty of friendship more than 125 years ago, has been marked by longevity and mutual understanding.

The strong alliance between the United States and South Korea has been a pivotal one since we fought side by side in the Korean War half a century ago. Out of that conflict was born one of the most significant dividing lines of the Cold War, a demilitarized zone in the 38th parallel that splits the Korean peninsula between communism and democracy.

The partnership between our two countries has successfully defended freedom in South Korea for more than five decades. As we approach the 55th anniversary of the Korean War armistice on July 27, let me state emphatically that it is my sincere hope that one day we will see South and North Korea peacefully reunited in my lifetime.

With respect to our strategic alliance, South Korea has remained a steadfast United States ally. It has contributed troops and pledged reconstruction funds for Iraq, and its forces have been deployed to Afghanistan and Lebanon. As a key member of the Six-Party Talks to denuclearize North Korea, it shares an important responsibility for broader security in northeast Asia.

Together, we are committed to persuade North Korea to not only fully declare but to also disable its nuclear program. During the Camp David summit this past weekend President Lee defined the U.S.-South Korea Strategic Alliance as one, "based on freedom and democracy, human rights and the principle of a free market system."

I am in agreement that the foundation of our partnership should encompass all three of these areas as we currently aim to upgrade the alliance through several important practical initiatives. First, I believe that the Republic of Korea should be fully admitted into the Visa Waiver Program as soon as possible.

I was encouraged by the signing of the memorandum of understanding last Friday and hope that the Department of Homeland Security will be able to certify South Korea's participation before year's end. There are over 2 million Korean Americans living throughout the United States, and South Korea's entry into the Visa Waiver Program will bring tremendous benefits for mutual businesses, tourism and other people to people exchanges.

Second, with the announcement of the full reimportation of United States beef to South Korea I believe it is time for our Congress to consider the U.S.-Korea Free Trade Agreement. This agreement is a most significant free trade agreement in over a decade, and I wish to underscore its geopolitical importance in the most economically dynamic growing region in the world.

Second, I believe the time has also come for Congress to elevate South Korea's FMS status to that of a NATO plus three member country. This status elevation is long overdue and would correct the unfairness of affording preferential FMS treatment to other key United States allies but not South Korea. I am a proud cosponsor of H.R. 5443 introduced by my colleagues Representative Ellen Tauscher and Representative Ed Royce who is also a member of this subcommittee.

I appreciate that Chairman Berman has agreed to incorporate it as part of a larger security alliance bill that is expected to be marked up in full committee next week and eventually pass by the House. Fourth, I also believe that in the ongoing transformation in

our military alliance including the relocation of United States forces, Korea from Seoul to Pyongyang, transfer of wartime operational control and the pause in the reduction of our troop presence deserves support.

In summary, the U.S.-South Korea Strategic Alliance is worth strengthening. A generation ago when I was in Vietnam, South Korea was one of our few friends who were willing to put their action where their talk was by sending some 320,000 soldiers to fight alongside United States forces during that terrible conflict in Vietnam.

That experience cemented my longstanding appreciation and affection to the leaders and to the people of South Korea as they were with us when we needed them. We must never forget that the foundation of the U.S.-South Korea Strategic Alliance remains solid, and I am hopeful that together with President Lee's administration we will strengthen this partnership.

I look forward to hearing from our principal witness today, the Honorable Alexander Arvizu, the Deputy Assistant Secretary to the Bureau of East Asian and Pacific Affairs at the Department of State. I know that my good friend, the ranking member, Mr. Manzullo, is not here with us, but I would like to now offer the opportunity to my good friend, Mr. Rohrabacher, if he has an opening statement for this hearing.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT

Today's hearing is entitled "A New Beginning for the U.S.-South Korea Strategic Alliance." The choice of title is not accidental. This hearing follows on the heels of the successful visit to Washington last week by South Korean President Lee Myung-Bak, who assumed office on February 25 and chose the United States as the destination for his first official overseas trip. President Lee also became the first South Korean Head of State to be invited to join the U.S. President at Camp David.

During President Lee's visit, there were several noteworthy accomplishments that will have a tremendous effect on the U.S.-South Korea strategic alliance. Among these included the signing of the Memorandum of Understanding on the Visa Waiver Program (VWP), the agreement on the full re-importation of U.S. beef into South Korea and support for the elevation of South Korea's Foreign Military Sales (FMS) status to that of NATO+3. I am sure that these topics will be addressed in detail during today's discussion.

The term "a new beginning" should not be interpreted to suggest there is a discontinuity in U.S.-South Korea alliance. Indeed, the history of relations between our two countries—which can be traced back to a treaty of friendship more than 125 years ago—has been marked by longevity and mutual solidarity.

The strong alliance between the United States and the Republic of Korea has been a pivotal one since we fought side by side in the Korean War over half a century ago. Out of that conflict was born one of the most significant dividing lines of the Cold War, a demilitarized zone on the 38th parallel that splits the Korean Peninsula between communism and democracy.

The partnership between our two countries has successfully defended freedom in South Korea for more than five decades. As we approach the 55th anniversary of the Korean War armistice on July 27th, let me state emphatically that it is my dream to one day see South and North Korea peacefully reunited in my lifetime.

With respect to our "strategic alliance," the Republic of Korea has remained a steadfast U.S. ally. It has contributed troops and pledged reconstruction funds for Iraq, and its forces have also been deployed to Afghanistan and Lebanon. As a key member of the Six-Party Talks to denuclearize North Korea, it shares an important responsibility for broader security in Northeast Asia. Together, we are committed to compelling the North Korean regime to not only fully declare but to also eliminate its nuclear program.

During the Camp David Summit this past weekend, President Lee defined the U.S.-South Korea strategic alliance as one "based on freedom and democracy, human rights and the principle of market economy." I am in agreement that the foundation of our partnership should encompass all three of these tenants as we concurrently aim to upgrade the alliance through several important, practical initiatives.

First, I believe that the Republic of Korea should be fully admitted into the Visa Waiver Program as soon as possible. I was encouraged by the signing of the memorandum of understanding last Friday and hope that the Department of Homeland Security will be able to certify South Korea's participation before year's end. There are over two million Korean Americans living throughout the U.S. and South Korea's entry into the VWP will bring untold benefits from mutual business, tourism and other people-to-people exchange.

Second, with the announcement of the full re-importation of U.S. beef to South Korea, I believe it is time for our Congress to consider the U.S.-Korea Free Trade Agreement (KORUS FTA). This agreement is our most commercially significant FTA in over a decade and I wish to underscore its geopolitical importance in the most economically dynamic and fastest growing region in the world.

Third, I believe the time has come for Congress to elevate the Republic of Korea's FMS status to that of NATO+3 member countries. This status elevation is long overdue and would correct the unfairness of affording preferential FMS treatment to other key U.S. allies but not South Korea. I am a proud cosponsor of H.R. 5443, introduced by Rep. Ed Royce who is a member of this subcommittee, and I appreciate that Chairman Berman has agreed to incorporate it as part of a larger Security Assistance bill that is expected to be marked up in full committee next week and eventually passed by the House.

Fourth, I believe that the ongoing transformation in our military alliance including the relocation of U.S. Forces Korea from Seoul to Pyeongtaek, transfer of wartime operational control, and the pause in the reduction of our troop presence deserve support.

In conclusion, the U.S.-South Korea strategic alliance is worth strengthening. A generation ago, when I was in Vietnam, South Korea was one of few friends who were willing to put their action where their talk was by sending 320,000 soldiers to fight alongside U.S. forces in that terrible conflict. That experience cemented my longstanding appreciation and affection to the leaders and to the people of South Korea as they were there with us when we needed help. We must never forget that the foundation of the U.S.-South Korea strategic alliance remains solid and I am hopeful that, together with President Lee's administration, we will strengthen this partnership.

I look forward to hearing from our principal witness today, Mr. Alexander A. Arvizu, the Deputy Assistant Secretary in the Bureau of East Asian and Pacific Affairs at the U.S. Department of State. I fully expect his remarks to be informative and to lay the groundwork for a productive discussion of the many aspects of the U.S.-South Korea strategic alliance in the 21st century.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman, and I appreciate your personal involvement in the issues of the Pacific and the Pacific Rim. You are an activist, and I think it can do nothing but serve our country well that we have these types of hearings and this type of personal activity on the part of the chairman himself.

Korea has been a source of frustration and inspiration to America over the years. My father I think flew, he told me it was the first DC-3 to fly into the Pusan perimeter during the Korean War, and he was the pilot of that airplane.

My father went on to fly supplies into the Korean conflict, and I might add that during those days the navigation systems were not as developed, the planes were not as safe as they are today and my father lost many members of his squadron to weather problems and such in trying to provide our troops with the support they needed to hold on during the North Korean attack on South Korea.

So when I was young I was raised on these stories. I was also raised with something else. My father being a career Marine took my brother and I out to dinner, excuse me, it was lunch, in San



Francisco, and this must have been about 1954, maybe 1953, and he took us out for lunch with two young Marines who had just returned from Korea.

I never forget because it was up in the, I do not know what restaurant it was at the time but my memory says it was on top of a building, they had a very fine restaurant, and we got to know those two young Marines. Those two young Marines were both 19 and 20 years old, and they had both lost their legs in Korea.

So during my lifetime I have always been aware that there were these two young men who I men, virile, young Americans, gung ho, who came home from Korea without their legs and lived their entire life as cripples because of the sacrifices they made to prevent the communist dictatorship from taking over South Korea.

So there was an incredible price that was paid with 35,000 American lives and many, many more wounded and crippled by our involvement in keeping Korea free from that invasion back in the early 1950s. During that time, however, I would note that I spent a little time in Vietnam. I was not a soldier, but I was doing some anticommunist work there.

I happened to be in Vung Tau one day and there was a group of people down at the beach having a barbecue, and they motioned me over, and they were very friendly and good people, and they were Korean troops that had come there to stand by us in order to thank us Americans for what we had done to help them a decade earlier in preventing the communist takeover of their society.

So Korea and the United States has a unique tie perhaps than any other country in that part of the world in that we have bled and stood together during the last century and during these last 75 years in a way that very few other countries have stood together.

Unfortunately, about 10 years ago it seemed that the Korean population had lost their, you might say appreciation, for what had been done by the United States even while in North Korea people were languishing under tyranny, and one of the worst tyrannies of the world, and also where large numbers of their people were virtually starving to death because of the incompetence of the northern communist regime, yet, the people seemed to elect leaders in South Korea that did not have this appreciation for the relationship between the United States and Korea.

Well, we are all gratified today that there is a new government in South Korea, and I believe that new government will create totally new opportunities for our countries to work together for mutual benefit and to stand together, as we have in the past, to make this a better world. I know that the President of Korea who recently visited had a very fruitful meeting with our President.

I would suggest, Mr. Chairman, that there are some areas of national security that will go even beyond and that could go even beyond what the meetings were held at Camp David, what was agreed to upon there, and I would hope to see that our State Department and the new Korean Government think very creatively about the type of role that can be played by Korea in an equal partnership with the United States literally standing together throughout the world in order to meet the challenges that are facing the free and democratic peoples of the world.

One of the things we might do for the people of Korea in exchange for this is to pay attention to the fact that Korea has no energy sources, South Korea has no energy sources, of its own and is going to need our partnership with the United States to ensure an ever increasing standard of living. I would suggest, Mr. Chairman, that we should be working with the new South Korean Government to build as modernistic and up-to-date sources of energy, perhaps nuclear energy.

There is new types of reactors being developed in Japan along with American companies that may well fit Korea's need. That is something that we should be working on.

Finally, Mr. Chairman, I would just like to note that while we need to stand together with South Korea to build a better world, we need to stand together forcefully with Korea in order to achieve the great historic goal, which I believe is within our grasp today, and that is the peaceful unification of Korea into a joint country and to one country that is ruled by the people themselves through the democratic process.

If we make the right decisions in the next few years there can be a unification of Korea. It will be a wondrous thing to the world, just as the unification of Germany was. It is not without costs, and it will not happen on its own, but we can, working with this new government, make that happen. Our goal should not be stability and status quo on the Korean peninsula.

Our goal should be dramatic change, unification, democracy and freedom in progress for all of the people of Korea. I think that was not possible under the last Korean administration. It is possible today. I look forward with you, Mr. Chairman, in overseeing the policies that will lead to a unified democratic Korea. Thank you.

Mr. FALCOMA. I thank the gentleman from California and now would like to ask the ranking member for his opening statement. Mr. Manzullo.

Mr. MANZULLO. Well, thank you, Chairman. I cannot think of a topic that is more relevant today than our relationship with the Republic of Korea. I had the opportunity last week to meet with the brand new President, Lee Myung-bak, of South Korea. I do not want to take credit for it, but within 24 hours the beef issue was settled, which you said it would be.

The press was all excited that we decided to settle that within a short period time. The other issue that has to be settled is the issue of automobiles under the U.S.-Korean Free Trade Agreement. The Koreans do count as imports automobiles made in Korea by a foreign car manufacturer, and we take great exception with that.

Only 3 percent of the automobiles that are actually on the streets in Korea come from outside the country in Korea. In the United States we count as domestic cars that are manufactured here by Toyota and also the Korean car manufacturers. So there is a long way to go.

The Koreans have to understand that is a point that has to be dislodged; otherwise, there unfortunately may not be a Republic of Korea-U.S. free trade agreement, period. With regard to the Six-Party Talks, we have had the opportunity to meet with Chris Hill on several occasions.

Chris Hill has traveled to my congressional district along with the Korean Ambassador, Ambassador Lee, who I think has been to every congressional district in the country and may find his way to the islands, but his presence was noted in our congressional district not only stressing the importance of resolution of automobiles and beef but also the fact that he said I will come because I want to personally thank the United States-Korean War veterans for making my country free.

He met with over 150 of the United States-Korean War veterans. It was a monumental, epochal event that took place in our congressional district. I will never forget the Ambassador embracing these men and women and thanking them profusely for their service and sacrifice so that he and his family could live in a free country.

You do not find people like that in the world too often, and that is why we have to work overtime to make sure that our relations with South Korea remain strong on a highly personal basis because of the sacrifice of our young men and women there. We also have to give Chris Hill the latitude to have verification over a period of time, providing of course, and which is his statement, that the verification or lack thereof, as some say, does not hurt our efforts at security.

It is obviously possible to have both security and verification. That is why it has taken so long. That is why we are at the point now where North Korea is no longer producing any fissionable material. The reactor has been shut down. There are U.S. observers on the scene. It is a great step. We have to keep moving forward on this Six-Party Talks.

[The prepared statement of Mr. Manzullo follows:]

PREPARED STATEMENT OF THE HONORABLE DONALD A. MANZULLO, A  
REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman, thank you for calling this important hearing regarding America's alliance with the Republic of Korea. The friendship between the United States and South Korea is one that was forged in the life and death struggle of the Korean War and it continues to be strong to this day.

President Lee Myung-bak of South Korea recently concluded a high profile visit to the United States where he reaffirmed the strength of our bilateral relationship. I had the honor of meeting with President Lee during his visit, and I am hopeful that under his leadership any remaining disagreements can be successfully resolved. I am very pleased that positive signals are already emerging from Seoul that this new president has a different way of doing business. Thus, we welcomed the agreement on beef that was announced last week regarding beef in the U.S.-Korea Free Trade Agreement. I hope that a similar agreement can be reached with regard to American automobile exports under the FTA.

The northern Illinois congressional district that I represent has a lot at stake in a successful free trade agreement with Korea. A good agreement will allow the hardworking people of the United States to sell their goods into the Korean market. In fact, Winnebago County has the second highest concentration of manufacturers in the nation behind Wayne County Michigan. In Boone County, Illinois where Chrysler employs thousands of workers in multiple shifts to build the Dodge Caliber, Jeep Compass, and the Jeep Patriot. In 2007, Chrysler exported 138,326 vehicles outside the U.S., representing 41.5 percent of total production. The cars made in Belvidere are made for consumers all around the world. So, opening markets can be very beneficial to America's economic health. There are obviously still problems with a free and open market in autos in Korea because all foreign automakers have only a three percent market penetration. For the U.S.-Korea FTA to be successful, the playing field for Chrysler and other U.S. auto makers must be leveled.

On the security side of the relationship, I fully support the current effort to enhance South Korea's military relationship with the United States. The U.S.-ROK Defense Cooperation Improvement Act of 2008, authored by my good friend Ed

Royce from California, sends the right message that America cares about its friends. After all it is America's partnership with Korea that has helped to guarantee the security of Asia in the nuclear age. This strategic relationship has helped ensure Korea's development into a robust democratic state with a market economy that is the envy of the Asia-Pacific region. I know this is a top priority for the South Korean government and for the President of the United States so I hope that the Committee takes action on the legislation.

South Korea plays an extremely important role in the Six Party Talks denuclearization process. With the exception of China, South Korea is the only country in the Talks that shares a common border with North Korea. The South Korean people have so much at stake in the outcome of the negotiations, and the people's support is critical to its success. We must remember that it is the South Koreans that will bear the direct economic, social, and emotional burden of any future reunification or deterioration of North Korea.

Some of my colleagues have expressed serious concern about the direction in which the Six Party Talks is progressing and about the sincerity of the North Korean state in the negotiations. I understand and appreciate their concerns, and I share their interests in getting North Korea to provide a full and accurate declaration of their nuclear programs, including any proliferation activity. However, let me state publicly that the stakes in the Six Party Talks are so high that we must not give in to unreasonable demands on either side of the issue. Because failure is really not an option, we have to do all we can to maximize our chances for success.

Mr. Chairman, I want to take this opportunity to recognize the role that Americans of Korean descent have played in strengthening the U.S.-Korea relationship. Given the importance of people to people contact in this alliance, I fully support the speedy implementation of the Visa Waiver Program. Businesses in both countries will benefit from improved cross border mobility. Buyers of American goods from Korea will have an easier time coming to the United States to conduct business. This is only fair since Americans can already travel to Korea without a visa. This is a win-win scenario.

Thank you for calling this hearing. I look forward to the testimony of our distinguished witness.

Mr. FALDOMAEGA. I would like to indulge my good friend, the distinguished gentlelady from California, Ms. Watson, to defer her opening statement until Mr. Royce from California gives his statement since he has a constituency waiting for him outside at this time. So, Mr. Royce, you have the 5 minutes.

Mr. ROYCE. Well, thank you very much, Mr. Chairman. I appreciate this. I thank you for holding this hearing coming as it does right after the trip by President Lee Myung-bak's historic visit here to the United States. Congresswoman Diane Watson and I co-chair the U.S. Republic of Korea Interparliamentary Exchange and I had the opportunity to author a resolution welcoming and congratulating the President on his election.

Diane joined me in that. Let me just say that I think the atmosphere surrounding the President's visit was indeed one of a new beginning, as the title, Mr. Chairman, that you have picked for this hearing today indicates. I think that close United States-South Korean relations are going to be key in managing the challenges and opportunities in northeast Asia.

The biggest opportunity in front of us is a chance to increase trade between our two countries by \$20 billion. That is a 25 percent increase from \$80 billion to \$100 billion that would come about as a result of trade liberalization. I think that passage of KORUS is central to the U.S.-Korea Strategic Alliance.

When Congresswoman Diane Watson and I traveled to Korea last year—we went to South Korea and then we went up to North Korea—but when we were in South Korea it was the subject of KORUS that our colleagues in the National Assembly really wanted to discuss.

I will make the observation that some of my colleagues in Congress on the other side often lament America's standing in the world, and they emphasize soft power. When it comes to trade, these words ring hollow for these agreements; frankly, these trade agreements are the classic form of soft power, propelling a transformation in bilateral relations.

So I hope we do listen as our Korean allies are stressing the importance of KORUS. I believe its defeat would be a commercial loss for the United States and a sign of U.S. retreat from northeast Asia. I would add that I think Congress could give a boost to our strategic alliance by passing legislation I have introduced that would upgrade Korea's military procurement status in United States law.

Mr. Chairman, I mentioned the Deputy Assistant Secretary. I want to thank him for his strong statement of support for this legislation today, and I would ask unanimous consent that a letter from Secretary of State Rice to the committee in support of H.R. 5443 be inserted into the record.

Mr. FALEOMAVAEGA. Without objection.

Mr. ROYCE. I appreciate the chairman's and ranking member's support for this initiative as well. Of course the central challenge in the region in East Asia for all in the international community is North Korea. We need the strong backing and coordination of all our democratic allies in northeast Asia if we are going to make progress, yet, we are moving the goal posts in the Six-Party Talks in North Korea's favor.

Success cannot be built on compromised principles with an opaque regime that has shown only a desire to extract concessions from the United States. An actual declaration from North Korea on all aspects of its nuclear programs would have been a signal that the regime in North Korea is serious about giving up its weapons, not just buying time and trying to extort aid.

Despite the administration's optimism we are not yet near to that point. Again, I thank you, Mr. Chairman, for this hearing.

[The prepared statement of Mr. Royce follows:]

PREPARED STATEMENT OF THE HONORABLE EDWARD R. ROYCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

I thank the Chair for holding this hearing, coming on the heels of President Lee Myung-bak's historic visit. The atmosphere surrounding the President's visit was indeed one of a "new beginning," as today's hearing title suggests.

Close U.S.-South Korean relations will be key in managing the challenges and opportunities in Northeast Asia. Of course, the biggest opportunity in front of us is a chance to increase trade between our two countries by \$20 billion—a 25 percent increase. Passage of KORUS is *central* to the U.S.-Korea strategic alliance. When I traveled to Korea last year, KORUS was all any of our colleagues in the National Assembly wanted to discuss.

My colleagues on the other side often lament America's standing in the world, emphasizing "soft power." But when it comes to trade, these words ring hollow. For these agreements are *the* classic form of soft power, propelling a transformation in bilateral relations. So I hope we do listen, as our Korean allies are stressing the importance of KORUS. Its defeat would be a commercial loss for us and a sign of U.S. retreat from northeast Asia.

Congress could give a boost to our strategic alliance by passing legislation I have introduced that would upgrade Korea's military procurement status in U.S. law. I thank the Deputy Assistant Secretary for his strong statement of support for this legislation today and ask unanimous consent that a letter from Secretary of State Rice to the Committee in support of H.R. 5443 be inserted into the record. [*without*

*objection*] I appreciate the Chairman's and Ranking Member's support of this initiative.

Of course, the central challenge in the region is North Korea. We need the strong backing and coordination of all our democratic allies in Northeast Asia if we are to make progress. Yet, we are moving the goal posts in the Six Party Talks—in *North Korea's favor*. Success can't be built on compromised principles with an opaque regime that has shown only a desire to extract concessions from the United States. An *actual* declaration from the North Koreans on *all aspects* of its nuclear programs would have been a signal that the regime is serious about giving up its weapons, not just buying time and trying to extort aid. Despite the Administration's optimism, we are not near to that point yet.

Thank you.

Mr. FALEOMAVAEGA. Thank you. The gentlelady from California, Ambassador Watson, for her opening statement.

Ms. WATSON. Thank you so much, Mr. Chairman, for holding this hearing on the United States and the Republic of Korea relations. As my colleague, Congressman Royce, said, the time is indeed opportune for the United States and Korea relations discussion. I was really pleased that we both went, along with some others, to South Korea and North Korea.

During the recently concluded visit of President Lee to the United States a memorandum of understanding was signed between our two countries on the Visa Waiver Program, and an announcement was made on the opening of Korea's beef market, one of the key sticking points of the Korea-United States trade agreement. The United States and the Republic of Korea have shared a long and successful alliance.

South Korea is a key partner in the Six-Party Talks aimed at assuring that North Korea does not develop and deploy nuclear weapons that could create a strategic imbalance in northeast Asia. South Korea and the United States have also been political, diplomatic and economic partners since the founding of the alliance 125 years ago.

Our two countries were brought dramatically together through the Korean War which ended in an armistice 55 years ago. Since that time, the Republic of Korea and the United States have worked hard to cement their alliance. Today, South Korea is the seventh largest trading partner of the United States bilateral trade between two countries and is in excess of \$80 billion annually.

Mr. Chairman, as you may know, I have already publicly announced my support for the pending U.S.-Korea Free Trade Agreement. The agreement, when it is ratified, will not bring with it just economic benefits but will also enhance the United States' political and strategic position in northeast Asia. It will give the U.S. a permanent economic foothold in the most dynamic and fastest growing region in the world.

The agreement would also provide a counterbalance to China's emergence as a dominant market player in that region and worldwide. The economic benefits to the local economy of Los Angeles are immense. I am, however, a political realist and well aware that all free trade agreements are subject to the strong political crosswinds due to our national election season.

My congressional district, the 33rd, located in Los Angeles, including Hollywood and Culver City, is one of the most ethnically and racially diverse districts in these United States. It is also home to the largest number of Korean Americans in the nation, and

many of my constituents support enhanced trade with Korea as well as the easing of travel requirements that will be realized when South Korea enters the Visa Waiver Program.

Mr. Chairman, I have only touched on the many important issues that will be discussed in further detail, and I welcome the opportunity to listen to the expert testimony on these matters that affect both South Korea and the United States. Thank you so much for holding this hearing.

Mr. FALEOMAVAEGA. I thank the gentlelady. The gentleman from Ohio, Mr. Chabot, for his opening statement. He is gone. Mr. Burton.

Mr. BURTON. Mr. Chairman, I will not take much time except to say South Korea has been a great friend for a long, long time. We should pass that free trade agreement as soon as the President can get it up here. With that, I will look forward to listening to our witness. I would like to submit the rest of my statement for the record.

[The prepared statement of Mr. Burton follows:]

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA

I would like to thank Chairman Faleomavaega for calling today's hearing to examine the relationship between the United States and South Korea. We have very special and longstanding relationship with South Korea; a friendship that reaches back to the 1882 Korean American Treaty of Peace, Amity, Commerce and Navigation—a friendship whose modern form was forged in the heat of the Korean War.

The United States and Korea have a mutual defense treaty that dates back to 1953, and Korea has supported U.S. military efforts abroad, as recently as in both Iraq and Afghanistan. Korea has been one of only four partners and allies that stood with us through all four major conflicts since World War II. In addition, South Korea demonstrated her great friendship and generosity in the aftermath of Hurricane Katrina, pledging over \$30 million in aid for relief and recovery efforts—the fourth largest amount donated by any foreign country.

South Korea is a strong, unwavering ally in the U.S.-led Global War on Terror, having dispatched the third largest contingent of troops to Iraq, and to Afghanistan (where a South Korean soldier was killed during hostile action), and to Lebanon in support of peacekeeping operations; and South Korea is a key partner in the Six-Party Talks to resolve North Korea's nuclear issue.

I firmly believe that South Korea may be the premier success story of U.S. foreign policy in the post-World War II period. Having assisted South Korea in transforming itself from a war-torn, impoverished economy into a successful democracy with a free enterprise economy (the world's 11th largest), South Korea is now an indispensable partner with the United States in promoting democracy, a free market economy and respect for the rule of law around the world.

President Myung-bak understands and appreciates the important history behind our bilateral relations as he demonstrated while visiting with President Bush. His desire to better relations with the United States through an emphasis on free market solutions encourages me that the work we have begun will continue to grow under his leadership.

I believe we must continue to show firm support of President Lee and our South Korean friends in the following ways:

We should pass the United States-Republic of Korea Defense Cooperation Improvement Act of 2008 (H.R. 5433) that would grant Korea the same preferential treatment and access to U.S. military technologies as our NATO partners.

The Koreans have proven to be an enormous foreign military sales partner and with a Mutual Defense Treaty dating back to 1953, we form a strategic alliance of interoperable forces.

By granting Korea this preferential treatment, we make ourselves a desirable supplier for the \$290 billion that the Koreans plan to invest in military hardware in the coming years.

We should approve the United States-Korea Free Trade Agreement which will increase trade and investment flowing through our agriculture, industrial, consumer products, automobile and financial services sectors. This agreement will enhance the

strong partnership between two great democratic nations and will open the door wider to the exchange of science and ideas that will cause us both to prosper.

This agreement is a natural extension of the strong affinity between our two countries, marked by extraordinary diplomatic, political, military, and economic cooperation. This agreement could potentially be the most commercially-significant free trade agreement signed by the United States in more than a decade.

South Korea is already the United States' seventh largest export market and sixth largest market for U.S. agricultural products. In fact, according to the latest statistics, our annual bilateral trade totals nearly \$80 billion. Any agreement that can open up more Korean markets to U.S. goods and services can only have a positive effect on the American economy by creating more and better jobs, enriching consumer choice, and boosting U.S. industry and manufacturing.

Koreans have invested nearly \$20 billion in the United States, and have created American jobs through companies like Hyundai Motors, Samsung Electronics, and Kia Motors. And as the largest investor in Korea, the United States already has a leading presence in that country.

As I have said before and will continue to say, I think it is important to note that trade relationships do more than just facilitate economic growth; this FTA recognizes our special relationship with South Korea and makes the strong statement that we will continue to stand with our allies, especially as we face continued uncertainty in regards to the nuclear ambitions of North Korea.

In closing let me say I see tremendous opportunity for the United States and South Korea to work together and develop even greater prospects for the future.

Mr. FALEOMAVAEGA. Without objection. We have as our key witness this afternoon the Deputy Assistant Secretary, the Bureau of East Asian and Pacific Affairs, Mr. Alexander Arvizu. The gentleman was born in Japan but grew up in Colorado. He completed his undergraduate studies at Georgetown University and also studied various Asian languages, including Japanese, Korean, Thai and Khmer.

The gentleman also had foreign assignments to Cambodia, to Korea, to Japan, and was even involved with the National Security Council. We welcome Mr. Arvizu and look forward to hearing from you, sir. Please proceed.

**STATEMENT OF MR. ALEXANDER A. ARVIZU, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. ARVIZU. Thank you very much, Mr. Chairman. Mr. Ranking Member, other members of the subcommittee, thank you very much, and it is an honor for me to appear before you today just days after the landmark Camp David summit between President Bush and President Lee Myung-bak.

Mr. FALEOMAVAEGA. Mr. Arvizu, could you pull your microphone a little closer to you?

Mr. ARVIZU. Yes, sir.

Mr. FALEOMAVAEGA. I am getting deaf I guess. I appreciate it.

Mr. ARVIZU. I have submitted a formal statement for the record.

Mr. FALEOMAVAEGA. Without objection, your statement will be made part of the record.

Mr. ARVIZU. Okay. Thank you.

Mr. FALEOMAVAEGA. If you have any other ancillary materials you want to be included they will be made part of the record.

Mr. ARVIZU. Well, thank you very much. All of your statements were so very much on the mark and encouraging. If we could somehow amalgamate all those and append those to the record, I would. If I could just read a few brief excerpts, and then I would be delighted to try to respond to any questions you might have.



I had the privilege of being the Human Rights Officer at the United States Embassy in Seoul many, many years ago. It was at the height of the pro-democracy protests, and therefore, for me in a very humble way it is truly an honor to be here today and to look at the title of this hearing, which is A New Beginning for the U.S.-South Korea Strategic Alliance.

I think it captures very succinctly the current great state of relations between our two countries. As you know, last week in New York President Lee began his visit there. There was a standing room only event at the Korea Society. I had the privilege of attending there, and everyone in the audience was truly moved by his remarks, as they were at another dinner he had in Washington.

One of the things that he announced in New York was as follows:

“The days of ideology are over. The politicization of alliance relations are behind us. We shall not let ideology and politics blind us from common values, interests and norms.”

I think that is a resounding statement in favor of the very strong alliance that we have and the transformative nature of our relations.

Our alliance relationship with the Republic of Korea is 55 years old now. As I mentioned, it is in the midst of expansion and transformation. We have agreed to adjust the size and strategic stance of our respective military forces on the peninsula to better reflect present circumstances. We intend to relocate the main United States military base of Yongsan from downtown Seoul to a location further south.

We have also agreed to transition our command relationships such that beginning in 2012 the Republic of Korea will exercise wartime operational control over its troops. These changes and others will strengthen the U.S. military’s operational capability and its deterrent capability as well.

In addition, as Presidents Bush and Lee announced at Camp David, we have reached mutual agreement to maintain current U.S. troop levels on the peninsula. The core mission of deterring aggression from the north will remain the alliance’s principal priority, as it should, but we also seek to deepen our cooperation with South Korea as we address other regional and global challenges.

In Iraq’s Irbil province, for example, the South Koreans have been successful in developing local infrastructure and maintaining security and in so doing have contributed to a more democratic and peaceful future for that part of Iraq.

The Republic of Korea currently has some 350 troops in southern Lebanon in support of the U.N. peacekeeping mission there, and we are very encouraged that the South Korean National Assembly is considering legislation to allow even greater participation in peacekeeping missions abroad.

Mr. Chairman, some of you and your colleagues today mentioned the FMS upgrade for the Republic of Korea. We thank you very much for your support. This is a long overdue measure. As you know, Secretary Rice strongly supports House legislation H.R. 5443, which would upgrade the ROK’s FMS status to that of the countries of NATO, Australia, New Zealand and Japan.

We believe this upgrade will serve as an important symbol of the renewed strength of the U.S.-ROK alliance. It would certainly facilitate South Korea's purchase of United States equipment more rapidly, it would promote better interoperability between our two militaries and it would provide motivation for the Republic of Korea to continue to buy superior United States defense products.

Best of all, this would not cost the U.S. taxpayer anything. The administration looks forward to working together with the Congress to support this important legislation to upgrade Korea's FMS status. Mr. Chairman, if I could turn very briefly to the Six-Party Talks, as it was one item that was featured prominently in your April 17 letter inviting me to testify today.

The Six-Party process and the whole concept of consultation between allies is very much an important element of the U.S.-ROK relationship. The United States continues to seek through the Six-Party framework to complete the verified denuclearization of the Korean peninsula and to implement fully the vision set out in the joint statement of principles agreed to by all six parties in September 2005.

Our close coordination with the Republic of Korea in that process has been instrumental to achieving the progress that we have achieved to date.

Along with successful denuclearization, the joint statement commits the United States and the other parties to take the necessary steps to normalize relations, to provide economic and energy assistance to North Korea and to achieve a permanent peace arrangement in Korea along with peace and security cooperation for the region.

It is admittedly an ambitious agenda, and the United States and South Korea, together with the other parties, will need to work closely together in order to succeed. As democratic societies, the United States and South Korea also share a deep interest in promoting an improved human rights situation in North Korea.

President Lee and his government have made clear the importance his administration attaches to this particular issue. The United States has equally deep resolve and will continue to work closely with the South Korean Government and others on the issue of human rights in North Korea, including seeking sustainable solutions to the plight of North Korean asylum seekers.

Mr. Chairman, I would just note that next week will mark the commemoration of North Korea Freedom Week, and there will be many events here in Washington in conjunction with NGOs and with the Congress. Mr. Chairman, if I could turn briefly to the U.S.-Korea Free Trade Agreement.

As you know, on April 18 we reached an agreement with the South Korean Government to reopen the Korean market to all beef and beef products from the United States, significantly from cattle of all ages. The import protocol that we agreed to is fully consistent with OIE guidelines and other international standards.

The good news is that very shortly, safe, affordable, high quality American beef will be back on Korean tables where they belong. This agreement will be a huge boost to our ranchers and producers who have waited patiently to regain access to the South Korean beef market that was lost in December 2003.

For its part, South Korea has demonstrated its continuing resolve to participate in fair and open global commerce by making the strategic decision to negotiate and sign a comprehensive and high quality free trade agreement with the United States.

Upon approval by the legislatures of both countries, the FTA will open South Korea's growing market of 49 million consumers to the full range of United States goods and services from agriculture, to autos, to telecommunication services. This agreement will support higher paying jobs in both countries and strengthen our relationship with this key democratic ally.

While the FTA's impact on bilateral, commercial and strategic ties with Korea will be huge it is important to note that the KORUS FTA, as it is commonly know, will have a very broad affect on the region as well, and this really gets to the heart of the FTA's strategic importance, because the KORUS FTA will demonstrate United States resolve to remain engaged in this economically vibrant and strategically critical Asia Pacific region.

It shows that we will continue to work aggressively to expand United States access to growing Asian markets, and that we will not stand idly by while others talk about Asian economic groupings that would exclude the United States.

Finally, by concluding the KORUS FTA the United States, together with our South Korean partners, has established what I would call the model for economic liberalization in the Asia Pacific region, agreements that are comprehensive, that set high standards and that are backed up by a strong commitment to the rule of law.

In conclusion, Mr. Chairman, if I could just allude to the Visa Waiver Program which several of you have raised. As you know, last August as part of the 9/11 Act Congress gave the administration the flexibility to admit new countries into the Visa Waiver Program while at the same time enhancing the security requirements of this program.

These security enhancements include requirements that both the Republic of Korea as well as the United States must fulfill. The memorandum of understanding signed last Friday by Secretary Chertoff and the Republic of Korea Foreign Minister is a reflection of the good progress that we are making on these requirements.

I would note that the Department of Homeland Security is confident that it will be able to meet all the United States obligations this year, and, as President Bush noted at the Camp David summit, once all requirements have been met, Korea could be in a position to enter into the Visa Waiver Program by the end of this calendar year.

Our South Korean allies have long expressed a fervent desire to become part of this waiver program, and I believe we are on the threshold of being able to accomplish that. Mr. Chairman, again, thank you very much for this opportunity to appear before the subcommittee. I would be delighted to take any questions.

[The prepared statement of Mr. Arvizu follows:]

PREPARED STATEMENT OF MR. ALEXANDER A. ARVIZU, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Mr. Manzullo, and Members of the Subcommittee, it is a privilege to appear before you just days after the landmark Camp David summit between President Bush and President Lee Myung-bak.

As someone who has followed U.S.-Korea relations for more than two decades, including a tour as human rights officer at our embassy in Seoul during the height of the pro-democracy protests, I believe the title of today's hearing, "A New Beginning for the

U.S.-South Korea Strategic Alliance," succinctly captures the current state of ties between our two great nations. Candidly describing the seismic philosophical shift that has occurred at the Blue House, President Lee told a standing-room-only Korea Society audience last week in New York that "The days of ideology are over. The politicization of Alliance relations are behind us. We shall not let ideology and politics blind us from common values, interests, and norms."

U.S.-KOREA SECURITY ALLIANCE

Our 55-year year alliance with the Republic of Korea (ROK) is in a process of expansion and transformation that reflects the exciting developments in our overall relationship. The United States and the ROK have agreed to adjust the size and strategic stance of our respective military forces on the peninsula to reflect better the challenges we face today and the changes in the ROK itself. We are working with our South Korean counterparts to move the main U.S. military base out of downtown Seoul and to consolidate U.S. troops in the ROK overall to fewer hubs further south. We have agreed to transition our command relationships such that beginning in 2012, the ROK will exercise wartime operational control over its troops. These steps are sensible and timely. The changes overall will reflect South Korea's economic and military strength, and its place in the world and the region. The changes will also strengthen the U.S. military's operational efficiency and deterrent capability. In addition, as Presidents Bush and Lee announced at Camp David, we have reached mutual agreement to maintain the current U.S. troop level on the peninsula. This is being done for the benefit of both our nations and to strengthen our Alliance. Secretary Gates and Defense Minister Lee will work together to coordinate the details of this arrangement.

The core mission of deterring aggression from the North will remain the Alliance's principal priority. But we should continue to deepen our cooperation with the ROK as we address other regional and global challenges. We should build on the work we have done together in Iraq, Afghanistan, and Lebanon. In Iraq's Irbil province, the South Koreans have been successful not only in developing local infrastructure and maintaining security, but also in providing a vision for a more democratic and peaceful future. The ROK has made substantial contributions to international peacekeeping efforts, from Somalia to Georgia to Timor-Leste. The ROK currently has some 350 troops in southern Lebanon supporting the UN peacekeeping mission. The South Korean National Assembly is considering legislation to allow even greater participation in peacekeeping missions. We should also continue to expand our cooperation on a range of global and transnational issues, such as nonproliferation, pandemics, counterterrorism, climate change, and democracy promotion.

FOREIGN MILITARY SALES

Mr. Chairman, Secretary Rice strongly supports the House legislation sponsored by Representative Royce and co-sponsored by Representative Tauscher, entitled "The U.S.-ROK Defense Cooperation Improvement Act of 2008" (H.R. 5443), which would upgrade the ROK's Foreign Military Sales (FMS) status to that of the countries of NATO, Australia, New Zealand, and Japan.

This upgrade will serve as an important symbol of the renewed strength of the U.S.-ROK alliance. The ROK is a long-time and close ally. The ROK supports U.S. policy in the War on Terror, and South Korean deployments in Iraq, Afghanistan, Lebanon, and elsewhere have advanced our mutual objectives of freedom, democracy, peace, and stability in those regions. An upgrade would facilitate the ROK's purchases of U.S. military equipment more rapidly, promote interoperability between our two militaries, provide motivation for the ROK to continue to buy American defense products, and cost the U.S. taxpayer nothing.

Our FMS sales to the ROK last year exceeded \$3.7 billion, making the ROK our third-largest FMS customer behind only Saudi Arabia and Taiwan. In 2006 and 2007, over 90 percent of the ROK's off-shore defense procurement contracts went to

U.S. companies, including a contract with Boeing to purchase four 737 Airborne Early Warning and Control aircraft. The ROK is also considering purchasing 20 additional F-15 multi-role fighters from Boeing.

I hope that we can work together to support the legislation to upgrade the ROK's FMS status. It is clearly in our national interest and will benefit the United States, the ROK, and our alliance.

#### THE SIX-PARTY TALKS

Mr. Chairman, as you noted among the issues you raised in your April 17th letter, the Six-party process is an important element of U.S.-ROK relations.

The United States seeks through the Six-Party framework to complete the verified denuclearization of the Korean peninsula and to implement fully the vision set out in the Joint Statement of Principles agreed to by all six parties in September 2005. Our close coordination with the ROK in that process has been instrumental to the progress made to date. Along with successful denuclearization, the Joint Statement commits the United States and the other parties to take steps to normalize relations, to provide economic and energy assistance to North Korea, and to achieve a permanent peace arrangement in Korea, along with peace and security cooperation for the region. It is an ambitious agenda, and the United States and South Korea, along with the other parties, will need to work closely together to succeed.

As democratic societies, the United States and South Korea also share a deep interest in promoting an improved human rights situation in North Korea. President Lee and his government have made clear the importance the ROK attaches to this issue. The United States has equally deep resolve and will continue to work closely with the South Korean government on the issue of human rights in North Korea, including in seeking sustainable solutions to the plight of North Korean asylum seekers.

#### THE U.S.-KOREA FREE TRADE AGREEMENT (KORUS FTA)

Last Friday, we reached an agreement with the South Korean government to reopen the Korean market to all U.S. beef and beef products, from cattle of all ages. The import protocol is fully consistent with OIE guidelines and other international standards. Safe, affordable, high-quality American beef will soon be back on Korean tables. This agreement will be a huge boost to our ranchers and producers who have waited patiently to regain the access to the South Korean beef market that was lost in December 2003. We welcome the full resumption of U.S. beef exports to South Korea.

South Korea has demonstrated its continuing resolve to participate in fair and open global commerce by making the strategic decision to negotiate and sign a comprehensive and high-quality Free Trade Agreement (FTA) with the United States, the world's largest and most advanced economy. Upon approval by the legislatures of both countries, the FTA will open South Korea's growing market of 49 million consumers to the full range of U.S. goods and services, from agriculture to autos to telecommunications services. The agreement will support higher-paying jobs in both countries and strengthen our relationship with a key democratic ally in a critical part of the world.

The KORUS FTA will strengthen our economy and our standing in the world. The KORUS FTA, the most commercially significant FTA we have concluded in over 15 years, will create new opportunities for U.S. workers, farmers, ranchers, businesses, and entrepreneurs across the country. Over 500 U.S. companies, organizations and communities have joined the U.S.-Korea FTA Business Coalition because they understand the benefits this agreement will generate for the American economy and their own businesses. The KORUS FTA will eliminate Korean tariffs that are significantly higher than our own and will establish new rules to strengthen Korean protection of U.S. investment and intellectual property and enhance regulatory transparency. It will also deepen our relations with one of our closest allies and reflect the vast advances in Korea's economic development over the past half-century.

But while the FTA's impact on bilateral, commercial, and strategic ties with the Korea will be huge, it is important to note that the KORUS FTA will also have a broad effect on the region as well. The KORUS FTA, the first U.S. FTA in Northeast Asia, demonstrates conclusively U.S. resolve to remain engaged in the economically vibrant and strategically critical Asia-Pacific region. It shows that we will continue to work aggressively to expand U.S. access to growing Asian markets and that we will not stand idly by while others talk about Asian economic groupings that would exclude the United States.

Finally, by concluding the KORUS FTA, the United States—with our South Korean partners—has established *the* model for economic liberalization in the Asia-Pa-

cific region: agreements that are comprehensive, set high-standards, and are backed up by a strong commitment to rule of law. Already, following the successful conclusion of the KORUS FTA, other countries in the region are faced with important choices: do they undertake the same sort of liberalization Korea has embraced in order to stay in the game? Will they take the same steps South Korea has taken through KORUS to create a more foreign-investor-friendly environment? If ratified, the KORUS FTA will be one of the best ways to promote U.S. economic interests not just in South Korea but throughout East Asia.

#### VISA WAIVER PROGRAM

The people-to-people ties between the United States and Korea continue to grow exponentially. Tourism from the Republic of Korea is on the rise, topping 800,000 visitors last year. Over 100,000 Korean students are studying in the United States. South Korean investment and business interests are also growing. In 2006, South Korea was our 7th largest trading partner and the 18th largest source of foreign direct investment in the U.S. These facts, combined with Korea's stable democracy and our strong alliance partnership, make South Korea a natural candidate for the Visa Waiver Program (VWP).

As you know, the Administration has sought to bring new members into the VWP as we strengthen the security of visa-free travel. Last August, as part of the 9/11 Act, Congress gave the Administration flexibility to admit new countries into the VWP while at the same time enhancing the security requirements of the program. These security enhancements include requirements that both the ROK and the United States must fulfill. In addition to issuing electronic passports to the South Korean public, the ROK must increase sharing of passenger information; ensure the repatriation of former citizens; and, timely report all lost and stolen blank and issued South Korean passports. On the U.S. side, the Department of Homeland Security (DHS) must certify to Congress that an Electronic System for Travel Authorization (ESTA) is fully operational and that an exit system is in place that can verify the departure of not less than 97 percent of foreign nationals who exit through U.S. airports. As evidenced by the Memorandum of Understanding signed Friday by DHS Secretary Chertoff and ROK Foreign Minister Yu, Korea continues to make good progress on its requirements, and DHS is confident that it can meet U.S. obligations this year. Once all requirements have been met, as President Bush noted at the Camp David summit, Korea could be able to enter the VWP by the end of the year. Our South Korean allies have long expressed a strong desire to join our Visa Waiver Program and doing so would symbolize the closeness of our bilateral relationship.

Thank you very much. I look forward to your questions.

Mr. FALEOMAVAEGA. Thank you, Secretary. At this time, I would like to turn the time to my distinguished ranking member for his questions.

Mr. MANZULLO. Appreciate your coming and the news that has been out for a day or so with regard to whether or not North Korea was the culprit in shipping the centrifuges to Syria. For some reason, and I have not been privy to any type of a closed hearing on this or closed briefing, I thought this was common knowledge.

I am not prescient, but can you help me? Is this new? Has it been common knowledge or has the administration made some type of a different statement or presentation of the issue? Could you help us on that, Ambassador?

Mr. ARVIZU. Mr. Ranking Member, under the so-called Six-Party agreements, and, you know, they have come in various phases beginning with the—

Mr. FALEOMAVAEGA. Secretary, you need to pull that microphone a little closer to you.

Mr. ARVIZU. Okay. Yes, sir.

Mr. FALEOMAVAEGA. You are such a soft spoken Secretary I have a hard time hearing you.

Mr. ARVIZU. Thank you, sir.

Mr. FALEOMAVAEGA. Okay. Much better.

Mr. ARVIZU. Under the September 2005 joint statement, which was followed by the February 2007 agreement on initial actions, and more recently the October 2007 agreement on second phase actions, these have all represented a comprehensive effort for us to address the totality of North Korea's nuclear programs.

Right now the Office Director for Korean Affairs, Mr. Sung Kim, my colleague, is in Pyongyang together with a gentleman from the National Security Council, and also, colleagues from the Pentagon and the Department of Energy. He is engaged in intense negotiations and discussions.

Last night he met with his counterparts from the Atomic Energy Commission from North Korea, and prior to that he met with Vice Minister Kim Kye Gwan, who is Ambassador Christopher Hill's primary counterpart. This is all in an effort to try to address all aspects of the North Korean nuclear program so that we can get some better clarity and better insight into what it is that we are dealing with.

It is part of this comprehensive effort to get more clarity into these programs, and this includes the plutonium production as well as any questions that there may be regarding uranium enrichment as well as proliferation activities.

Mr. MANZULLO. I guess the reason I asked the question is there are some folks around here that, we are all very careful and circumspect on what we want to do here, and if, in fact, North Korea has been the supplier of these centrifuges it even buttresses the fact that we have to work harder on verification of the list, as soon as we determine that it is a complete list of the inventory that North Korea proffers.

What is important at this point, and I know everybody is moving very cautiously and I know Congress is together on it, is the fact that the nuclear reactor has been shut down, that there are all kinds of inspectors on site that are making sure it has not been restarted, that essentially the third phase after the complete listing has been set forth by North Korea would be the dismantling of the reactor so it could never make fissionable material again.

The reason I asked that question is that a lot of members are looking at the Six-Party Talks perhaps expecting too much, and that is okay. I mean, the declaration of inventory was supposed to be filed by the end of last year.

As long as the reactor is shut down and there is verification of that I think we have to continue to be patient, have to continue to work with Ambassador Hill on it with the eventual goal of satisfying all the Members of Congress that the verification of that declaration indeed will take place. Did you want to comment on that?

Mr. ARVIZU. Yes, sir. As you point out, the facility at Yongbyon has been effectively shut down, and that is a very positive thing because we know for a fact that it has produced plutonium over the years. One of the things we are trying to do now is to ascertain how much plutonium, and in that connection you mentioned the term verification.

It is very much our position that verification is an inherent and integral part of what we are trying to do. I know that the term trust but verify, you know, was made very popular by one of our former Presidents. When we apply that to North Korea, if we could

bold it and underline it several times I think that would really capture, you know, the attitude we need to take with respect to verification of their programs.

Mr. MANZULLO. Well, I do not know if that term was appropriate. You do not have to trust anybody. That is why we ask for a declaration that could be verified. I trust nobody in these talks. I mean, we are dealing with somebody who is a pretty tough actor under circumstances, and this is not an issue of trust. If you trusted people you would not have any need for declarations.

Therefore, I simply do not trust the North Koreans, but I expect that the declaration will have to be verified by us, and so the trust has to go to the trustworthiness of our verification process. Thank you.

Mr. FALEOMAVAEGA. Gentleman from Indiana, Mr. Burton.

Mr. BURTON. Mr. Rohrabacher, are you ready before me or do you want me to go ahead?

Mr. ROHRABACHER. You were recognized first.

Mr. BURTON. All right. I guess the only thing that I am really concerned about is two issues that were raised by my colleagues. Number one, the centrifuges that were sold or given to Iran. I think they said they now have 6,000 new centrifuges there refining uranium. Do our intelligence, and if you cannot respond to this because of intelligence information, but do we have any information that shows that those are continually being sold to Iran by North Korea?

The second this is on the free trade agreement, when do you think the President is going to send that out? I know that he is probably talking to the leadership on both sides of the aisle to try to reach some kind of an accommodation to get that thing voted on, but I would like to see it brought up here sooner rather than later, and if you have any information on that I would appreciate it.

Mr. ARVIZU. Thank you, Mr. Burton. If I could first, just to address the ranking member, sir, I could not agree more with you there, and I should have been a little bit more cautious. Certainly any agreement with North Korea that is predicated on trust is bound to fail, and so, no, it is all verification.

You know, certainly we feel like in working with them and dealing with them we have to establish a basis from which to move forward, but you are absolutely right, sir. We have to be very cautious and very skeptical even as we press forward and do our utmost to verify.

Mr. Burton, on the question that you raised, I would just note, you know, in this setting what I can say is that any effort by North Korea to export nuclear related technology would be contrary to the understandings that we reached together with them and the other parties as part of the Six-Party Talks.

Mr. BURTON. Was this maybe on your scope of—be on the scope of your position, but where are the Iranians getting all those centrifuges if they are not getting them from North Korea? Do you have any idea? Because they had 3,000, now they have 6,000 more they said, and they are refining this uranium. It is a great concern to all of us.

If they are not getting it from North Korea I would like to know where they are getting it.



Mr. ARVIZU. Sir, I am sorry, that is something that I do not know.

Mr. FALEOMAVAEGA. If the gentleman yield. I think the Russians are supplying the Iranians.

Mr. BURTON. Well, I would like to know that because we heard that they are coming from North Korea and now, you know, you suggest that they are coming from Russia. I would like to find out, and maybe you could carry that question back to the State Department.

Mr. ARVIZU. I would be happy to take that back, sir.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE DAN BURTON

We have no indication that the DPRK transferred any centrifuges to Iran. As the International Atomic Energy Agency has documented in several reports starting in 2003, Iran has pursued a centrifuge-based uranium enrichment program since the 1980s. This program began with engagement of the A. Q. Khan network, which transferred both designs and components to Iran. Since that time, Iran has been producing centrifuge components domestically. Several of the workshops involved in this production have been sanctioned by the UN Security Council for their role in Iranian proliferation.

Mr. BURTON. And then about the free trade agreement?

Mr. ARVIZU. On the free trade agreement, sir, there are obviously many considerations and a lot of departments, elements of the government, working with the White House. The administration would like to see the passage of all three pending free trade agreements. I have tried to outline here why I think the Korea FTA is very significant, not just for our two countries bilaterally but for strategic reasons in terms of the timing of that.

Mr. BURTON. Well, I think State Department and the administration, I am sure they probably do realize this but I will just reiterate it one more time, and that is this is a political year, I think everybody knows that now, and the sooner you send those things up here, the more likely it is that we will get something done.

If we wait until July, or late July, or into September it is probably not going to happen. So I would just suggest that State Department and the White House do whatever negotiating they have to do as quickly as possible so we can get to it. Thank you.

Mr. ARVIZU. Thank you, Mr. Burton. I will report that back.

Mr. FALEOMAVAEGA. Mr. Rohrabacher for his questions.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. Let me ask you, Is North Korea again on the verge of a major food crisis?

Mr. ARVIZU. Mr. Rohrabacher, every report I have read indicates that the situation looks pretty grim indeed for this particular harvest. Yes, sir.

Mr. ROHRABACHER. So it would not surprise anybody if a few months from now we were in this great humanitarian crisis where perhaps even millions of peoples' lives were at stake for lack of food in North Korea?

Mr. ARVIZU. I believe that potential exists, sir, yes.

Mr. ROHRABACHER. Are we currently providing food for North Korea?

Mr. ARVIZU. At the present time, sir, no, we are not. Last fall following some devastating flooding in North Korea we did provide

through NGOs some emergency humanitarian assistance, but there is no current ongoing food program that we are providing.

Mr. ROHRABACHER. And how much is it guesstimated that North Korea is spending on its nuclear program?

Mr. ARVIZU. I would have to research that and get back to you, sir. I do not have a figure for you.

Mr. ROHRABACHER. At least tens of millions, if not hundreds of millions. Would not that be fair to say, that at least tens or hundreds of millions of dollars?

Mr. ARVIZU. Probably fair to say as a percentage of their national budget it is very high.

Mr. ROHRABACHER. Right. So their own people are facing starvation, and they are spending their money on nuclear weapons. In terms of the brutality and repressive nature of the regime in North Korea you would probably rate it, what, one of the worst in the world? Would you say that is fairly accurate?

Mr. ARVIZU. I would say in the lowest tier, sir, yes.

Mr. ROHRABACHER. Okay. So we have got one of the worst repressive regimes in the world spending its money on nuclear weapons technology while their own people are on the verge of a major food crisis where people may starve to death. Now, if there is a food crisis, are we going to run forward and then feed their people and make sure that we carry this regime through the crisis?

Mr. ARVIZU. Sir, I think what we would do is certainly consult with the Congress, consult with other parts of this government, because it has generally been United States Government policy to try to respond to humanitarian crises, and if it could be established that, in fact, this was a genuine humanitarian crisis, I think the impulse certainly would be to try to do something.

Of course the challenge with the regime, as you mentioned, is—

Mr. ROHRABACHER. Right. That is what happened last time. I would hope that we realize the most humanitarian thing we can do for the people of North Korea and the rest of the world is to ensure the collapse of a regime that is one of the most repressive in the world that is spending its money on nuclear weapons while its own people on the verge of starvation, let that regime pass away into history rather than moving forward to try to eliminate some of the sad—

[Technical difficulties.]

Mr. FALEOMAVAEGA. Mr. Arvizu, I am going to ask you if you could indulge us. We have votes pretty soon, and if we could wait. Now it is on.

Mr. ROHRABACHER. Is yours on, now?

Mr. FALEOMAVAEGA. Is yours? Yes, it is.

Mr. ROHRABACHER. Well, what do you know. All right. So would the United States, I think I better give you the right wording here, would we welcome a collapse of this totalitarian, repressive regime in North Korea?

Mr. ARVIZU. Mr. Rohrabacher, it is a very bad regime. It is in the bottom tier of countries by any standard. Moreover, it is a very dangerous regime. All the more reason why it is awfully difficult to negotiate with them, to deal with them, to try to address their

nuclear weapons programs, to address human rights in North Korea.

Mr. ROHRABACHER. Right. So?

Mr. ARVIZU. I am a diplomat, sir, and my job is try to figure out a way to—

Mr. ROHRABACHER. To not answer such questions. I understand. Let us note again, as I was about to say, speaking for Members of Congress and other people who are here in the United States and watch this closely and understand some of the restrictions you may have, let the people of Korea know that we are for the unification of Korea.

The good people of the United States are for the collapse of the North Korean regime rather than having democratic governments, like the United States, come in and save them from their own folly and their own repression by feeding their people at a time of starvation.

Finally, the other question you cannot answer which we can answer is if there are any elements in the North Korean military or within the country of North Korea that desire to overthrow that regime and move toward a more democratic society and unification of Korea, we are supportive of them and would encourage them to act boldly.

We would, those of us in Congress at least, are not in any way deterred from making that kind of statement. With the new President of South Korea, this is a time of great new opportunity. Korea can be a major force in the world. As a unified country, it would emerge as a bold new power in history.

Now is the time for that to start taking shape and for us to build a better future and leave the repression, and the brutality and the deprivation of the north behind. Thank you very much, Mr. Chairman.

Mr. FALEOMAVAEGA. Thank you. I think Mr. Burton has one more question.

Mr. BURTON. Yes. I just had one real quick question. You know, the Israelis bombed what was believed to be a nuclear development site in Syria, and the site itself I think was provided by North Korea. I asked the question about the centrifuges a while ago.

Do we have any intelligence information or can we get any information, the Members of Congress on this committee, that would give us some idea on what North Korea is doing in the way of exporting a nuclear technology? You may not have the answer right now, but I would certainly like for the State Department or somebody to give us an answer to that question.

Mr. ARVIZU. Mr. Burton, you are correct, I do not have that information.

Mr. BURTON. Could you check and let us know?

Mr. ARVIZU. Yes.

Mr. BURTON. Okay. Thanks.

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE DAN BURTON

The Intelligence Community briefed selected Congressional committees on this question on April 24, 2008.

Mr. FALEOMAVAEGA. Mr. Secretary, does the President plan to submit the free trade agreement to Congress for a vote before he leaves office this year?

Mr. ARVIZU. Mr. Chairman, my understanding is that the administration is very interested in trying to ensure ratification and passage of all three free trade agreements, but in terms of the details, timing, you know, those are all considerations that I believe the President will have to make in consultation with the Congress.

Mr. FALEOMAVAEGA. Well, I know we have to have the congressional authority on this one. I am just curious. We are having complications obviously with the free trade agreement with Colombia. Do you see any sense of differences of our Korean free trade agreement as that with the problems we are dealing with the Colombian free trade agreement?

Mr. ARVIZU. I would not be in a position to address the relative merits of the two other than to state that, you know, both of them, even though you are talking about two different parts of the world, there are strong strategic reasons for proceeding with both and that both agreements were worked through, you know, with, you know, very tangible commercial objectives in mind.

My focus has been understandably the Korea FTA which is the most commercially significant one that we have negotiated since 1993 I believe, so we very much would like to ensure its passage, but that is not to say that Colombia or Panama are not very important as well.

Mr. FALEOMAVAEGA. I realize Colombia and South Korea are two different countries, but I am talking about the problems that Colombia is facing with the rights of workers to unionize, and the amount of discrimination and the problems where the Government of Colombia has been very suppressive on the rights of workers, you know, to form, to establish, unions.

Do we have this problem in South Korea?

Mr. ARVIZU. Mr. Chairman, I am happy to report that in the case of the Republic of Korea there has been a very strong democratic labor movement that, you know, has ensured strong protection of worker rights. We do believe that the environmental as well as worker rights protection in the KORUS FTA are quite strong and something to hold up as a model for others.

Mr. FALEOMAVAEGA. Obviously we have discussed three very important issues in our relationship with South Korea. One is the free trade agreement, the other is the foreign military sales issue with the NATO countries, and also the Visa Waiver Program. I take it that all these three issues the administration fully supports.

Mr. ARVIZU. Yes, Mr. Chairman, that is correct. We fully support all three.

Mr. FALEOMAVAEGA. And that the administration has every intention of taking these three issues with the Congress?

Mr. ARVIZU. That is my understanding, sir, yes.

Mr. FALEOMAVAEGA. What is the dollar value of our current trade relationship with South Korea right now? How much do we export to South Korea a year?

Mr. ARVIZU. Let us see. Two-way trade is in the vicinity of \$80 billion, perhaps a little bit more than \$80 billion per year. I would have to get back to you on the precise nature of our—

Mr. FALEOMAVAEGA. So we currently have about an \$80 billion trade relationship with South Korea?

Mr. ARVIZU. Yes, sir.

Mr. FALEOMAVAEGA. Okay. Now, I am sure that our ranchers and farmers are very happy with the recent approval of the exports of our beef. You know I love the way the Koreans prepare beef, and kalbi and bulgogi, and I am sure that is the mainstream area. What is it our farmers tend to gain here by exporting our beef products to South Korea? What do you expect in terms of our exports?

Mr. ARVIZU. Well, Mr. Chairman, if I recall correctly, in 2003, which is when the last time that United States beef was flowing freely to South Korea, the dollar value at that time was approximately \$500 million.

Mr. FALEOMAVAEGA. \$500 million?

Mr. ARVIZU. Yes.

Mr. FALEOMAVAEGA. Okay. So with the reopening again of allowing us to export our beef to South Korea, what are you looking at the possibility of—

Mr. ARVIZU. I think it would not be an exaggeration to say that would be doubled.

Mr. FALEOMAVAEGA. Could you submit that for the record?

Mr. ARVIZU. Yes, I would be happy to do that, sir. I do think that it is safe to say that, you know, a doubling of that to around \$1 billion or so, that that would be in the forecast.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

Before the Korean market was closed to U.S. beef and beef products in December 2003, following the detection of a case of BSE in Washington State, Korea was the third largest—and growing—export market for U.S. beef and beef products with annual exports of \$815 million in 2003. Nearly \$292 million of that represented exports of bone-in cuts such as beef short ribs which command a much higher price in Korea than in the United States which adds strongly to U.S. ranchers' overall bottom line. The U.S. International Trade Commission (USITC) in September 2007 estimated that under KORUS, U.S. beef exports could increase by as much as \$1.8 billion. KORUS will put U.S. beef in a preferential competitive position relative to third country beef exports to South Korea.

Mr. FALEOMAVAEGA. So currently with an \$80 billion trade relationship with South Korea and expectedly, supposedly that we also pass the free trade agreement with South Korea, how much does that involve? I think the last time I read it was something like \$11 billion exports from the United States that will be gained in this free trade agreement. I do not know. I am asking if you could correct me on that figure.

Mr. ARVIZU. According to a 2007 International Trade Commission study or projection the estimates were anywhere in the range from about \$6 billion to \$10 billion in terms of American exports to South Korea and about half that amount of United States imports from South Korea. I would be happy to consult that study and report back to you.

Mr. FALEOMAVAEGA. Could you submit that for the record, please?

Mr. ARVIZU. Yes, sir.

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVAEGA

The U.S. International Trade Commission (USITC) concluded that U.S. GDP will increase by \$10–12 billion per year as a result of full implementation of the KORUS FTA. The study also concluded that annual merchandise exports to Korea will increase by an estimated \$10 billion from the Agreement's tariff cuts alone, with additional substantial gains in exports of services. The study also indicates that imports of Korean merchandise would increase by an estimated \$6–7 billion per year, with comparatively smaller increases in imports of services, since the U.S. services market is already generally open to foreign firms.

Mr. FALEOMAVAEGA. Now, one of the ironies—and maybe you could help me, I am somewhat simplistic in my thinking, add two plus two, equals four—with all the efforts that we are trying to do to disable North Korea's nuclear capabilities, the fact of the matter is they already have six to eight nuclear weapons. Am I correct on this?

Mr. ARVIZU. We are trying to ascertain exactly how much fissile material they have, sir, but that is a figure that I have heard mentioned in some private studies.

Mr. FALEOMAVAEGA. So while we are trying to disable North Korea's capability they already have six to eight nuclear weapons, and you only need one to obliterate the entire city of Seoul, which has, what, 12 million people?

Mr. ARVIZU. I believe that is the population of Seoul.

Mr. FALEOMAVAEGA. So where is the logic? We are trying to disable a country that already has possession of nuclear weapons.

Mr. ARVIZU. Well, we certainly want to stop the production, you know, that is step one, but then step two or, you know, down the road will be to try to retrieve that material, whatever they produced.

Mr. FALEOMAVAEGA. And it is all right for India and Pakistan to also have nuclear weapons?

Mr. ARVIZU. Sir, my focus being Korea I would like very much to lay hands on the North Korean fissile material. I will let my colleagues who deal with India and Pakistan address that part.

Mr. FALEOMAVAEGA. I realize you are responsible for Korea, but I am just wondering because I am just trying to follow some sense of logic about this madness. We talk about nonproliferation on one side and it is okay for certain other countries to keep on holding on to their nuclear weapons.

My last reading is we have I think still on hold about 10,000 nuclear weapons in our arsenal. So where is the logic where you want to ask one country get rid of your nuclear weapons, but the five permanent members of the Security Council continues to have nuclear weapons at their possession, including Pakistan and India, that unofficially now are members of the nuclear club, if you will.

Of course Israel, also, who can either confirm or deny the existence of its capacity to have nuclear weapons itself. Can you help me with this irony that we are involved in? We are telling North Korea to not have nuclear weapons. They already have nuclear weapons.

Mr. ARVIZU. My response would be that of the countries that you mentioned the one I would like to get the nuclear material away from faster than anyone else would be North Korea because of their poor track record.

Mr. FALEOMAVAEGA. Maybe I have said this statement here now to the point where people are tired of me saying this, but it needs to be said time, after time, after time. When India exploded its first nuclear weapon in 1974 the whole world was up in arms. It was suggested that India had no business being involved in a nuclear proliferation, if you will.

Then the Prime Minister of India made an appeal to the United Nations, and his speech before the United Nations was, hey, we can do it, too. He then made an appeal to the world community, why do not we just get rid of nuclear weapons altogether? Guess what? No response from the five permanent members of the Security Council who had nuclear weapons.

So what happens? Pakistan gets into the picture because if I was a Pakistani I would be sleeping very uncomfortably if I knew that India had a nuclear weapon. Indians sleep very uncomfortably because they know the Chinese have nuclear weapons. So it goes on and on to the point where it becomes just complete madness as to what we are doing right now with nuclear weapons.

Can you help me with this, Mr. Secretary? Put some sense of logic or understanding of appreciation? I would say that we have to give total credit and highest commendation to the President of Kazakhstan that became the fourth largest holder of nuclear weapons if it wanted to, but instead, the President of Kazakhstan called upon the world.

He wanted to dismantle all the nuclear weapons that the Soviet Union left in Kazakhstan there. It was just complete idiocy that even he felt that there needs to be some sense of reality or appreciation of the fact why do we need nuclear weapons? As a deterrent? So North Korea now has six to eight nuclear weapons.

By the way, it is also still developing its missile capability. Have we put any sense of limitation on its capacity to better get with its missile program and its capacity to do it? You know, firing a missile maybe from Pyongyang to San Francisco, or to Honolulu, or to Seoul, or to Tokyo?

Mr. ARVIZU. Mr. Chairman, North Korea's missile proliferation is a serious problem. I would put it right up there with human rights. Those are the kinds of activities by this very difficult and dangerous regime that we are trying to deal with. You spoke about nuclear proliferation and North Korea's nuclear weapons.

You know, one of the key elements of this Six-Party process and the agreements that we reach is to get North Korea to stop proliferating its nuclear technology. It is committed under this agreement to not proliferate nuclear technology.

Mr. FALEOMAVAEGA. How big is our force structure right now in South Korea? How many soldiers do we have in South Korea right now?

Mr. ARVIZU. I believe it is in the vicinity of about 28,500, sir.

Mr. FALEOMAVAEGA. It is 28,000?

Mr. ARVIZU. 28,500, yes, sir.

Mr. FALEOMAVAEGA. 28,500. I understand there is going to be a realignment of our force structure there in South Korea in some sort where our forces are not going to be on along the 38th parallel, they are moving them further south, is that correct?

Mr. ARVIZU. Yes, sir, that is correct. There is some ongoing realignment. A lot of this will extend out over a number of years, but I think there are two key elements. One is the headquarters of United States Forces Korea currently at Yongsan is going to be relocated to Camp Humphreys in Pyongtaek. Also, several United States military installations across South Korea will be consolidated into fewer hubs generally further south.

So there is this process of consolidation that is underway, but the overall troop levels the two Presidents agreed will remain more or less at the same level.

Mr. FALCOMVAEGA. What possible good, and I am not a military genius trying to calculate this, we have got thousands of houses along the border between North and South Korea by North Koreans and I guess even almost 1 million soldiers along the borderline, what can 28,000 United States soldiers possibly do to defend South Korea if there is an all out war between North and South Korea?

Are we just there for tokens? I mean, what good can we have if our force structure is so small and you are moving them further away from where there is potential likelihood of a conflict, if you want to call it? So why be there at all?

Mr. ARVIZU. Mr. Chairman, certainly over the last 20 years or so the capability of the South Korean military has improved dramatically, and, you know, I would note that in the 1980s United States troop levels were higher. At that time, the South Korean military was still pretty formidable, but clearly in 2008 it is a much more robust military capability.

The South Koreans have said that they want our troops there on the peninsula, and my colleagues at the Pentagon feel that there is, you know, a legitimate military need to maintain those forces there and there seems to be, you know, a good understanding between the two military establishments that this is the appropriate level of the force structure given the North Korean threat and given South Korean military capabilities.

Mr. FALCOMVAEGA. I served in Vietnam in 1967 and 1968 at the height of the Tet Offensive. I cannot tell you how much I appreciate seeing South Korean soldiers fighting side by side. There were 50,000 Korean soldiers in there, and they were right in the front lines. They were not working behind lines or some kind of a little peacekeeping force. They were right in the front lines with our troops.

I will be forever grateful. You know, there is a Chinese proverb saying there are many acquaintances but very few friends, and I tell you, the Republic of Korea was a true friend. Where were our European allies when we were fighting communism and all these things that we were trying to do, I wonder?

So I have a very, very deep appreciation of what the South Korean Government stood for, and they stood for us when times were really wanting and that terrible war that we got ourselves into. Now, there is an understanding that there is to be another negotiation of restructuring our force structure with the Korean Government, and there seems to be a disagreement with this.

I am told that General Bell, the Commanding General of the U.S. forces there, does not feel that there needs to be, to renegotiate another agreement. Do you agree with that?



Mr. ARVIZU. Sir, with respect to General Bell, are you referring to the troop levels or perhaps the Special Measures Agreement regarding budgetary support for U.S. forces?

Mr. FALEOMAVAEGA. Well, the dismantling of our system on the borderline, the 38th parallel, that we are now in the process, I am told, of renegotiating how we are going to renew our force structure. General Bell thinks that it is unnecessary.

Mr. ARVIZU. Mr. Chairman, I would be happy to go back and seek some clarification because my understanding is that we do have a working arrangement in place, and it is by mutual agreement.

You know, there will be plenty of consultations as both sides get into specifics, but with respect to the general plan to consolidate United States installations, you know, to a fewer number while maintaining overall troop levels at roughly, you know, the same level as well as transferring wartime operational control to the South Koreans in 2012, that is all understood.

Mr. FALEOMAVAEGA. Will the administration or the President intend to discuss the merits of the free trade agreement with our Presidential candidates running for President?

Mr. ARVIZU. Sir, just from reading the papers, they seem to have some views on that, but we are always receptive to sharing our views with others.

Mr. FALEOMAVAEGA. You know, more and more we are going into Afghanistan, which is where we started in the first place. We still cannot find Osama bin Laden, who, by the way, attacked us on 9/11, it was not Saddam Hussein. Do you think that South Korea should help us along those lines by sending troops to Afghanistan to go after the Taliban and hopefully find Osama bin Laden? After 5 years we still have not been able to find him.

Mr. ARVIZU. Well, one theme that has been recurrent, both at the Camp David summit but also at this hearing, is this notion of an expanded or enhanced alliance. You know, for so many years understandably the South Korean military focused and the whole focus of the security establishment of South Korea was on the defense of the peninsula.

Although that still is the case and that is still the core mission, because of South Korea's military capability and its enhanced economic strength it is now looking to enter into more of a strategic partnership with the United States and with other like-minded countries around the world.

Sadly, there are so many trouble spots in the world, whether it is Iraq, Afghanistan, Lebanon, Timor Leste, Somalia, understandably there is going to be a limit on how many countries or how many places that South Korea will be able to lend assistance to.

One of the things that we look forward to as part of this enhanced partnership and this enhanced alliance is to consult with South Korea on areas that need the most help, whether it is regional peacekeeping missions, or something under U.N. auspices, or whatever. We think that South Korea now has a more robust capability to provide, you know, the kinds of forces and material needed.

Again, you know, there are limitations to what South Korea can do, and, as a colleague and ally of the ROK, you know, we will

enter into close consultations with them about those kinds of needs.

Mr. FALEOMAVAEGA. If the media reports are accurate in my readings recently, somehow the communications between North and South Korea have been very bitter and that the President of South Korea has been accused of being somewhat of a puppet of the United States. In terms of all that has transpired at Camp David with President Lee and President Bush, does this mean the "sunshine policy" is out in the window?

Mr. ARVIZU. The propaganda attacks from the north have been pretty strong since the inauguration of the President on February 25. He is one tough person.

Mr. FALEOMAVAEGA. Which one? Kim Jong Il or President Lee?

Mr. ARVIZU. No, no, I am sorry, President Lee. You know, the propaganda flow has been very much one-sided. He has been vilified personally. He has set forth, you know, a policy that says that South Korea, you know, is prepared to deal with North Korea certainly within the Six-Party context to continue a certain level of inter-Korean dialogue.

President Lee has said that he intends to address policies, and that, you know, they will not be an exact replica of his predecessor. It does seem that the north is trying to respond in kind by ratcheting up the pressure. I think he has shown an ability to take everything that they are throwing at him.

Mr. FALEOMAVAEGA. Maybe the problem here is you notice that the perception is that President Lee is doing or taking orders from the President of the United States and with this kind of conditions placed on the whole idea of this relationship has changed and to suggest that we are not going to help you.

This is North and South. You would think that as fellow Koreans you would have a sense of really understanding this because China is there willing to help. The fact that now you are saying we are putting conditions, we are not willing to help because of this, this and that, well, China recognizes the same problems, but yet, they are willing to help. So where does the administration stand on that?

Mr. ARVIZU. Well, we were very encouraged when President Lee decided to make New York and Washington his first foreign stops as President. On his way back to Korea, he stopped in Tokyo and had an extensive round of consultations with Prime Minister Fukuda, President Lee has indicated that he intends to meet with President Hu Jintao in Beijing shortly, so I think he has a very clear image in his mind of the direction in which he wants to take his administration's policy.

You know, we are delighted that we have got such close coordination with them, but I think that the South Korean President, you know, very much has an independent view of how he wants to promote South Korea's interests.

Mr. FALEOMAVAEGA. So we have had 2 million North Koreans starving to death a few years ago, and we are going to allow this to happen again?

Mr. ARVIZU. Well, Mr. Chairman, you know, traditionally when there have been humanitarian crises I think the United States has been among the first responders in just about any situation. The

particular challenge when it comes to North Korea is the ability to monitor the assistance that is provided to make sure that it goes to those truly in need.

That has always been a difficult issue in the past, and given our experience with them, you know, that is something that we would have to take into account were there to be a very serious humanitarian crisis.

Mr. FALCOMVAEGA. I had mentioned earlier that one of the key elements of the Camp David accord or the meeting between President Bush and President Lee concerning the Visa Waiver Program.

I know that the good Ambassador of the Korean Embassy here has mentioned the fact that you have to meet a certain threshold, which is 3 percent of however they calculate this whole thing, but given the fact that we have allowed many of our allies the same as the Visa Waiver Program, and yet, has Korea already met the 3 percent threshold or are they still trying to get it at a lower point level so that the program could then be implemented?

Mr. ARVIZU. Mr. Chairman, my understanding, and I can seek clarification from DHS, is that although 3 percent is a level, you know, that is indicated, provided that a country enacts other security measures, such as South Korea has been able to do, that there is some wiggle room for a waiver, assuming that they are close to that 3 percent figure.

I think the most recent statistics from our Embassy in Seoul indicate that the refusal rate for nonimmigrant visas for South Koreans is in the 4 percent range.

So it is not quite at 3 percent, but it is close enough that, assuming these other steps can be taken, such as the issuance of machine readable passports, the sharing of security and similar types of information from the South Korean side, that they will qualify for the Visa Waiver Program provided that for our part we are able to do certain things as well.

I think the signing of the memorandum of understanding between Secretary Chertoff and Foreign Minister Yu suggests that we are well on track hopefully to be able to enact that by the end of this year.

Mr. FALCOMVAEGA. I never forgot the comment made by a South Korean leader whom I met in one of the meetings that I attended in South Korea. He said the United States is our friends, but the North Koreans are our brothers.

That really made a very deep impression on me to the fact that, yes, despite all the political, all the problems, you know, the fact of the matter is these people were divided not because of their own volition, it was done by outside forces, outside powers. I sincerely hope that the administration will give a little better sense of understanding of the histories.

These are the same people, same culture, same language in every way and every respect. Families are separated not because of their doing but because of what happened historically. I sincerely hope that we give that sense of perspective, and understanding and appreciating, and that we do not become such a hard-nosed prodemocracy and freedom for all that it stands for but not understanding why and where we are now in the relationship with North and South Korea.

As I said before, it is my sincere hope in my lifetime to see that one day the people of North and South Korea will reunite. After all, they were not the cause of their separation politically. It was done by outside forces. One thing, the last thing that I would ever suggest to Mr. Secretary: Do not ever try to intimidate the North Koreans because they are not the kind to be intimidated.

That is just the nature. I guess you might say that they have a real good instinct for being true warriors and will fight you to the end if necessary, and I do not think we need to go in that. My good friend from California has returned.

Mr. Secretary, I just wanted to share that perspective with you because I think we need to look at it a little deeper than just a nuclear, all these other issues that separates us. I think there are more issues, or more areas, or ways that we can establish a better relationship with North Korea despite whatever we say, that we have a dictator, we have someone who, Kim Jong Il, that whatever his personality might be, I do not know, I cannot judge the man for that.

I have been to Gaeseong. I think myself and two others of my colleagues were probably the first Members of Congress that were invited to visit, and I think that is the kind of thing that we ought to encourage, to bring free enterprise where the initiative is taken by the South Korean business community to build a place like Gaeseong and to get into the labor markets and opportunities where the people of North Korea could also mutually benefit, if you will.

So this is where I am coming from. I sincerely hope that in the coming months I might have you again to testify and see where we are with our friends in Korea. I would like to turn the time over to Mr. Royce if he has additional questions. Mr. Royce?

Mr. ROYCE. Thank you very much, Mr. Chairman. In my trips to Korea and in my discussions with senior defectors who were involved in the weapons programs in North Korea, they shared with me that when North Korea could not get the hard currency, they could not purchase on the open market some of the equipment they needed, like gyroscopes, in order to put in their missiles or some of the raw materials, some of the components that they needed for their nuclear program.

One of the things I think we need to be mindful of is if we can get this agreement and get verification, then that is going to be a great step forward. We need to understand that North Korea in the past has been adept from the nuclear framework agreement in getting the West to give that regime aid, resources, while they plowed those resources into their nuclear program and into proliferation, and so that is what we are concerned about.

This brings us to the issue of verification itself, because now, what we would like to do is have North Korea open up if we can get this agreement, and verification is a big part of it. Soon after details of the latest proposal on North Korea began appearing in our press here in the United States, U.S. officials began to stress this issue of verification.

The State Department spokesman, and I think it was Sean McCormack at the time, said the declaration is going to be subject to robust verification. Those were his terms. Now, he was just talk-

ing about plutonium. He was not talking about verification on the enriched uranium component, and of course some of us have concerns about that.

He was not talking about verification on the proliferation component, such as the proliferation to Syria. Some of us have concerns about that. An NSC official said we will trust but verify. Now, when those same officials from the verification bureau are not on the trip to Pyongyang, how will verification be carried out?

When this question was asked of them, "If you have got that trip coming up, how are you going to carry out the verification?" they did not know the answer to that question. Assistant Secretary, can you give us a sense of the verification measure that was being discussed in North Korea this week?

Mr. ARVIZU. Mr. Royce, a couple of points, if I may. First of all, it is my understanding that verification applies to all elements of the nuclear program, so there are not certain exempt categories. Everything will be subject to verification.

Mr. ROYCE. Yes, but I am afraid, Mr. Secretary, that cannot be because all we are talking about now is, for example, on proliferation, not having the North Koreans explain it to us. We are just talking about sending them a letter about what we have been able to figure out and then just having them attest to that.

So how do we possibly dig into the issue of proliferation? Likewise, with uranium, what we are talking about here actually is the current plutonium program.

Again, we are talking about sending a letter over in terms about concerns from the U.S. side, but we are not talking about getting access to the scientists, getting access to the documents, having access to the materials so that we could test it, having access to the inventory. All of that has been quite problematic. So I just raise that point.

That is the crux of the problem we are having right now. I wonder if these verification issues have been raised with our North Korean counterparts, not plutonium but enriched uranium, proliferation, and what the response has been when we push on that issue.

Mr. ARVIZU. Sir, the elements that you have described all constitute elements of our approach to the North Koreans at various junctures. As you can imagine, it has been an extremely time consuming process when you know that your counterpart is engaged in a four corner stall.

Mr. ROYCE. Right.

Mr. ARVIZU. I mentioned earlier that my colleague, Sung Kim, is currently in North Korea doing what he has been doing for, you know, so much of the time over the past year-and-a-half which is to try to gain a little bit more clarity and precision about the nature of these programs, and it is all with this verification process in mind.

It is a complex process in that I do not want to oversell the fact that, you know, there is this set verification scheme that, you know, is ready to be applied. That part is evolving as well in tandem with the information that we come across and new ways that we devise to try to verify the information and to gain greater clarity and insight into exactly what it is that we are dealing with.

Mr. ROYCE. Well, my central point is that verification cannot be just a slogan, it has to be a practice. You mentioned your colleague who is a Korea desk officer, but what is missing in the equation is an official from the State Department's Verification Bureau heading up the delegation, you see? So there is a little bit of difference of perspective here from the congressional perspective.

This was a trip that was billed as one to finalize the declaration and hammer out verification issues, but it has been reported that officials from the Verification Bureau have so far been cut out of the process. From my standpoint, that is a problem, and so that is why as I watch the bar continually being lowered. I wonder how far along we have got in our discussion of verification issues with the North Koreans.

Mr. ARVIZU. Mr. Royce, the team in North Korea right now is admittedly very small. It is only four individuals, but it does include someone from the Department of Energy with some considerable technical expertise. That being said, we recognize that there is a long road to hoe here.

I would note that in previous negotiations with North Korea depending on where we were, you know, in the process, at some points there were fairly large interagency teams from our side, including people with specialty in verification.

I envision that down the road, assuming that we can continue to chart some progress, that they will very much be, you know, an integral part of that effort. For this particular juncture, which by no means is going to be, you know, the end point, we felt that it was in our interest to send a small team but that nonetheless represented some capacity to address the technical issues that we face.

Mr. ROYCE. Then let me follow up with a question about the sequencing of all of this. Following up on the process of verification, at what point is the administration planning to lift the state sponsor of terrorism and the trading with the enemy sanctions? Is this concurrent with North Korea issuing its declaration or will that declaration has to be verified first?

We heard from the Secretary last week that verification takes some time, and that indicated to some of us that North Korea would not have to wait for its list to be verified before gaining concessions.

As I have said in my opening remarks, for those of us that have been on this committee for a long time we are used to a certain modus operandi out of North Korea in order to gain concessions from the United States without ever finally performing as they string things along, as Kim Jong Il's government strings things along now, and so that is why I ask this question on sequencing.

Mr. ARVIZU. Mr. Royce, under the October 2007 agreement on second phase actions, the underlying principle, you know, for all of these agreements has been action for action.

We have said that upon North Korea disabling the facility at Yongbyon and providing a complete and correct declaration, that in tandem with that that we would be prepared to initiate the steps needed to remove North Korea from the state sponsors of terrorism list, as well as to remove the application of the Trading With the Enemy Act.

When you look at this concept of the declaration, clearly it has to be a credible one. It has to be one that holds up under a level of scrutiny. Provided that is the case, we would be prepared to adhere to our obligations under this agreement. Again, I would emphasize that it is based on an action for action concept.

I would just like to reiterate that we intend to follow through with our commitments, provided that the North Koreans do the same.

Mr. ROYCE. Let me ask one more question, Mr. Chairman, then I will be finished, and that would be President Lee Myung-bak I think brought a more realistic view of North Korea with him to the Blue House. One of the more realistic perceptions I think was in regard to human rights or the lack of them in North Korea.

So far the President has taken several steps on his part on the human rights front, so we see South Korea moving in this direction and showing this concern for human rights in the north. With this new partner, have our two governments begun to compare notes as to how we can work together on North Korean human rights issues?

Mr. ARVIZU. I guess we have, Mr. Royce. As you noted, under this new administration it did not take President Lee very long to establish that his administration would assign a higher priority to speaking out about human rights. We saw this I believe in March when a senior South Korean official in Geneva at the U.N. Human Rights Conference spoke out rather strongly about the human rights conditions in North Korea.

Mr. ROYCE. We have raised it in Congress, but I was wondering if the administration had an opportunity with President Lee's visit here—I had an opportunity to attend a meeting and I heard these issues discussed, but I was wondering if other than the congressional perspective on it if the administration has had an opportunity to raise that issue with President Lee's administration or with the President?

Mr. ARVIZU. Mr. Royce, I was not present in any of the high level meetings. Certainly at the working level we did discuss it at length, and it is my understanding that, yes, it was discussed at the leaders level as well, but I would be happy to look into that and report back.

Mr. ROYCE. If you could, and let me know, because I know Edward at the working level always tries to get me to bring things up in the meetings, but sometimes we fail to follow-up at that level. I would like to know if the administration has been able to open that dialogue. If you can let me know later, and also, how that went and what those plans would be?

Mr. ARVIZU. Yes, sir.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM MR. ALEXANDER A. ARVIZU TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE EDWARD R. ROYCE

We look forward to working closely with the Republic of Korea (ROK) Government on a wide range of issues, including human rights in North Korea. During their April 18–19 Summit, President Bush and ROK President Lee Myung-bak discussed the harsh conditions North Koreans face in their everyday lives and reiterated their mutual belief in basic human rights.

We are concerned about North Korea's serious human rights abuses and have been working with the international community to raise awareness of the issue and improve the lives of the North Korean people.

Human rights remains on our comprehensive agenda with North Korea and the United States has made clear to North Korea that discussion of its human rights record will be part of any future normalization process.

In addition, the USG continues to work with other governments, including that of the ROK, and international organizations to help North Korean refugees obtain protection, including through resettlement in the United States.

Mr. ROYCE. Thank you very much, Mr. Chairman.

Mr. FALEOMAVAEGA. Thank you. Mr. Secretary, throughout the Six-Party Talks and the negotiations I always keep hearing this word disabling North Korea's nuclear capability. What is the difference between disabling and dismantling these facilities?

Mr. ARVIZU. Sir, to make a confession, when that terminology came out I consulted a dictionary myself. I found that in many cases they are almost interchangeable.

However, for the purpose of our discussions, the disablement meant something that was a little bit less temporary or, excuse me, something that was more temporary, you know, that was basically rendered, you know, the system unusable but that could be reversed with some effort.

Mr. FALEOMAVAEGA. So it is like taking out your kneecap but—

Mr. ARVIZU. You could put it back together again, but just make it a lot more difficult to put it back together again, yes, sir.

Mr. FALEOMAVAEGA. Yes. So as opposed to dismantling, I mean, completely take every bolt, and screw and whatever it is that makes up the nuclear facilities that North Korea was trying to develop.

Mr. ARVIZU. Dismantlement meaning pretty much starting from scratch.

Mr. FALEOMAVAEGA. Okay. Question. Can you share with us for the record what exactly are the exports or imports that Russia is giving North Korea for its nuclear program, or is it Russia giving it to Iran? I am sorry, it is not to North Korea but to Iran, so I will withdraw the question.

My good friend, my ranking member, Mr. Manzullo, said trust nobody. I always hear this. President Reagan made the statement trust but verify. We seem to be using this axiom as the basis of all our nuclear programs for inspections and all of this. Is that a valid statement that we should be doing the same with North Korea?

Mr. ARVIZU. Well, Mr. Chairman, when dealing with North Korea, you know, I think based on experience and history they are not the most trustworthy counterparts.

Mr. FALEOMAVAEGA. Is Pakistan most trustworthy with its form of government?

Mr. ARVIZU. But for critics of the administration's policy on North Korea, when they say, well, you cannot trust them, you know, how can you trust them? Well, we recognize that, you know, their track record has not exactly been exemplary but since we have decided we are not just going to sit back and do nothing, we do have to find some basis through which to move forward, and so verification is very important.



I think doggedness and determination also rank up there as far as criteria needed to try to succeed in moving these negotiations forward. I certainly take your point, sir.

Mr. FALEOMAVAEGA. Mr. Secretary, do you have any further statements to make? I am about to close. I will say that the record will be kept open for 10 days for members to submit additional questions and receive responses from your office, and for any other extraneous materials that you wish to submit, it will be made part of the record.

Mr. ARVIZU. Thank you, sir. Thank you for the opportunity to appear before you today.

Mr. FALEOMAVAEGA. Otherwise, the hearing is adjourned. Thank you.

[Whereupon, at 3:52 p.m., the subcommittee adjourned.]



# A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

THE SECRETARY OF STATE  
WASHINGTON  
APR 18 2008

Dear Mr. Chairman:

I am writing to express my strong support for the U.S.-ROK Defense Cooperation Improvement Act of 2008 (H.R. 5443). This legislation, sponsored by Representative Royce and co-sponsored by Representative Tauscher, would upgrade the ROK's Foreign Military Sales (FMS) status to that of the countries of NATO, Australia, New Zealand, and Japan. Companion legislation in the Senate sponsored by Senator Bond entitled "A Bill to Improve Defense Cooperation Between the Republic of Korea (ROK) and the United States" (S. 1846) seeks the same goal.

This upgrade will serve as an important symbol of the renewed strength of the U.S.-ROK alliance. The ROK is a long-time and close ally. The ROK supports U.S. policy in the War on Terror, and Korean deployments in Iraq, Afghanistan, Lebanon, and elsewhere have advanced our mutual objectives of freedom, democracy, peace, and stability in those regions. An upgrade would facilitate the ROK's purchases of U.S. military equipment more rapidly, promote interoperability between our two militaries, provide motivation for the ROK to continue to buy American defense products, and cost the U.S. taxpayer nothing.

Our FMS sales to the ROK last year exceeded \$3.7 billion, making the ROK our third-largest FMS customer behind only Saudi Arabia and Taiwan. In 2006 and 2007, over 90 percent of the ROK's off-shore defense procurement contracts went to U.S. companies, including a contract with Boeing to purchase four 737 Airborne Early Warning and Control aircraft. The ROK is also considering purchasing 20 additional F-15 multi-role fighters from Boeing.

I hope that we can work together to support the legislation to upgrade the ROK's FMS status. It is clearly in our national interest and will benefit the United States, the ROK, and our alliance.

Sincerely,



Condoleezza Rice

The Honorable  
Howard L. Berman, Chairman,  
Committee on Foreign Affairs,  
House of Representatives.

WRITTEN RESPONSE FROM MR. ALEXANDER A. ARVIZU, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION SUBMITTED FOR THE RECORD BY THE HONORABLE DONALD A. MANZULLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

*Question:*

*What has the State Department done to date to ensure that Lone Star and other American investors are not subject to discriminatory treatment in the future?*

*Response:*

The State Department has been actively following the case of Lone Star's pending sale of its stake in the Korea Exchange Bank and urging the ROK to treat Lone Star and all other foreign invested corporations according to applicable laws. We are encouraged by recent public statements from the Korean Financial Services Commission (FSC) that indicate the ROK government is pursuing an expeditious resolution of this case. This is a significant and positive development.

WRITTEN RESPONSES FROM MR. ALEXANDER A. ARVIZU, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

*Question:*

*I know that your boss, Christopher Hill, has been working on getting North Korea to fully declare their weapons program. Where are we in regards to that declaration and what are you doing right now to work towards that?*

*Response:*

The DPRK failed to provide a complete and correct declaration by December 31, 2007, as it had committed to do in the October 3, 2007 agreement.

We expect the North Koreans to fulfill their commitments and have been working with the other parties participating in the Six-Party Talks to press the DPRK to provide a full accounting of its nuclear materials, facilities, and programs, including its uranium enrichment and proliferation activities.

An interagency delegation lead by the State Department and consisting of personnel from the Departments of Defense and Energy as well as the National Security Council traveled to North Korea April 22-24 and May 8 to continue discussions regarding North Korea's declaration.

Once a declaration is submitted to China, the chair of the Six-Party Talks, it will be subject to a rigorous verification regime.

We are working with the Chinese and our other partners to establish verification and monitoring mechanisms to ensure that all parties, including the DPRK, are living up to their commitments.

*Question:*

*In regards to the Visa Waiver Program, I have been a strong supporter on the record from the beginning. I was happy to see that last Friday Secretary Chertoff and South Korea's Foreign Minister signed a memorandum of understanding to include South Korea into the Visa Waiver Program. Do you think that the process will be completed by the end of the year?*

*Response:*

The President has made it clear that he would like to see the Visa Waiver Program (VWP) opened up to include allies such as the Republic of Korea (ROK), in a way that will enhance our security standards.

At their recent Camp David summit on April 19, President Bush informed South Korean President Lee Myung-bak that his goal was to see the ROK enter the VWP by the end of this year. Although we are doing our best to meet this goal, it is still too early to say definitively whether or not it will be possible. The ROK must still provide electronic passports to its public and enter into agreements with us related to greater information-sharing.

On our part, the Department of Homeland Security (DHS) must certify to Congress that an Electronic System for Travel Authorization (ESTA) is fully operational and that an exit system is in place that can verify the departure of 97 percent of foreign nationals who exit through U.S. airports. Once these requirements are met, DHS must waive the 3 percent visa refusal rate requirement for the ROK (which had a refusal rate of approximately 4.4 percent in FY2007). At that point, the State Department may formally nominate the ROK to DHS for consideration as a VWP

member. DHS would then undertake—in consultation with the State Department—a final review of the impact that the ROK's potential VWP membership has on U.S. security, law enforcement, and immigration interests. With a favorable, final evaluation from DHS, President Bush will be able to announce the ROK's entry into the VWP.

Both the ROK and U.S. governments are making good progress on meeting our respective obligations under laws and regulations governing VWP expansion, but it is premature to say at this time that all required actions will complete by the end of this year.

*Question:*

*As a strong and consistent supporter of the Trade Agreement with South Korea and, in light of what has happened with regard to Colombia, do you think that President Bush will send the KORUS FTA to Congress before he leaves office?*

*Response:*

The President is committed to seeing the KORUS FTA voted upon this year. During the recently concluded Camp David summit, President Bush told President Lee that the KORUS FTA is a priority for his Administration and that he will work tirelessly to get the agreement approved by Congress this year.

*Question:*

*Do you support South Korea's request to be granted NATO Plus Three status for purchasing arms from the United States? What more can we in Congress do to see that happen?*

*Response:*

The State Department strongly supports South Korea's request and, in particular, the U.S.-ROK Defense Cooperation Improvement Act of 2008 (H.R. 5443) sponsored by Representative Royce and co-sponsored by Representative Tauscher, which would upgrade South Korea's Foreign Military Sales (FMS) status to that of the countries of NATO, Australia, New Zealand, and Japan. The Department also strongly supports companion legislation in the Senate sponsored by Senator Bond entitled, "A Bill to Improve Defense Cooperation Between the Republic of Korea (ROK) and the United States," (S.1846) which seeks the same goal. This upgrade will serve as an important symbol of the continued strength of the U.S.-ROK Alliance, is clearly in our national interest, and will benefit the United States, the ROK, and our alliance. We look forward to working together on this important legislation.

*Question:*

*How are you working to ensure that North Korea is not providing nuclear technology to Iran, Syria and other state sponsors of terrorists?*

*Response:*

We have long been seriously concerned about North Korea's nuclear weapons program and its proliferation activities. North Korea's clandestine nuclear cooperation with Syria is a dangerous manifestation of those activities. We have made our concerns known to North Korea in a frank and comprehensive way, and the North Koreans have acknowledged our concerns.

In the October 3, 2007 "Second-Phase Actions" agreement, the DPRK "reaffirmed its commitment not to transfer nuclear technology, materials or know-how" to any other country. The North Korean have also stated that there is no ongoing cooperation with any foreign country in violation of applicable domestic and international laws and treaties, and that there will be no such cooperation in the future. We will be working to establish within the Six-Party framework a mechanism for holding North Korea to these pledges and to verify that North Korea's nuclear activities, including proliferation activities, have ceased.

We also continue to work with our partners to fully implement the Proliferation Security Initiative against nuclear and other proliferation, and with all UN member states to enforce UNSCR 1718.