



## A New Beginning for the U.S.-South Korea Strategic Alliance

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Statement before the House Foreign Affairs Committee Subcommittee on Asia, the Pacific, and the Global Environment

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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 17<sup>th</sup> 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-Pacific 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 7<sup>th</sup> largest trading partner and the 18<sup>th</sup> 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.

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