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THE EXPANDING U.S.-KOREA ALLIANCE

HEARING

BEFORE THE

SUBCOMMITTEE ON ASIA AND THE PACIFIC

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

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THE EXPANDING U.S.-KOREA ALLIANCE

WEDNESDAY, OCTOBER 26, 2011

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

The committee met, pursuant to notice, at 11 o'clock a.m., in room 2172 Rayburn House Office Building, Hon. Donald A. Manzullo (chairman of the subcommittee) presiding.

Mr. MANZULLO. The Subcommittee on Asia and the Pacific will now come to order.

On October 12th of 2011, Congress passed the U.S.-Korea Free Trade Agreement, marking the dawn of a new era in U.S.-South Korea relations. As America's largest free trade agreement in Asia, the KORUS Free Trade Agreement promises more export opportunities for U.S. businesses and manufacturers than ever before. In a relationship that has ebbed and flowed over the past few decades, President Lee's visit to the U.S. is testament that this relationship is the strongest it has ever been.

Today's hearing is both timely and important in addressing the impact of expanded U.S.-South Korea relations in terms of peace, prosperity, and security in the Asia-Pacific region. The 16th Congressional District of Illinois, which I have the honor of representing, depends heavily on manufacturing for its livelihood. Many of the products produced in the district are exported around the world. The KORUS Free Trade Agreement promises to boost existing exports, with economists estimating as much as $11 billion in export growth. The Agreement will also provide American companies important access to South Korea's $1 trillion market and boost the overall level of two-way trade beyond the $87 billion value recorded in 2010.

Here in the United States, we are blessed with the fact that 1.5 million Americans of Korean descent call this nation "home." They are an integral part of the fabric of American society. Many Korean-Americans are small business owners, and their pursuit of the American dream contributes greatly to the U.S. economy.

In November 2008, South Korea qualified to join the group of countries eligible to participate in our visa waiver program. Long overdue, South Korean citizens, along with our Japanese and Singaporean friends, now enjoy visa-free travel to the U.S. for tourism and business for up to 90 days. The ability to easily travel back and forth is a key to welcoming Korean investment and businesses into the United States.

The U.S.-Korea relationship has grown over time, beyond a security alliance to one of incredible depth and sophistication. I'll never forget the day when former Ambassador Lee Tae-Sik made a special visit to the 16th Congressional District in Illinois to personally thank American Veterans of the Korean War for the efforts to defend his country and protect his people. As I stood watching this take place, I could not but be overcome with great respect and gratitude for the friendship our two nations share. Several veterans told me that this was the first time anybody had ever said "thank you" for helping them achieve freedom in their country.

While South Korea embraces freedom, democracy, and respect for human rights, her neighbor to the north continues to shock the world with threats of weapons of mass destruction and violent provocations. In March 2010, North Korea sent tremors when it sunk a South Korean naval vessel, the Cheonan, killing 46 sailors. It followed this attack by shelling Yeonpyeong Island in November of the same year. The international community was outraged further when China not only remained silent, but also rewarded North Korea with further food and fuel assistance.

Just this past week, the Chinese Ambassador to North Korea announced that China and North Korea are entering a new era of vigorous development and will make unremitted efforts to consolidate and develop their friendship further. North Korea is one of the most repressive and hostile regimes on the planet. North Korea is in a league of its own when it comes to the level of weapons proliferation, human rights violations, and illicit activities carried out by the regime.

The Kim Jong Il regime is starving its own people and at the same time it remains a sponsor of international terrorism. Its close relationship with Syria, Iran, and Burma add to this concern. It's important that we continue to work with South Korea on a joint strategic plan and do not offer concessions. Our collective security is being threatened and we cannot tolerate this continued behavior.

In his address to Congress, President Lee expressed the sentiments of the South Korean people best when he stated "America is our friend and neighbor." Indeed, those words ring true now more than ever in a 60-year partnership that saw South Korea transform from poverty and dictatorship to the prosperous and thriving democracy we see today. America played a direct role in Korea's epic success. I concur with President Lee that our countries have one of the closest, most important economic relationships in the world. I also agree that when we work together, we win together.

The future of our alliance is bright. I thank my Korean friends for their steadfast friendship and hope our relationship continues to evolve to benefit generations of Americans and Koreans alike.

[The prepeared statement of Mr. Manzullo follows:]

One Hundred Twelfth Congress

Congress of the United States

Committee on Foreign Affairs
Subcommittee on Asia and the Pacific

October 26, 2011

The Expanding U.S.-Korea Alliance

Chairman Donald A. Manzullo
Opening Statement

On October 12, 2011, Congress passed the United States-Korea (KORUS) Free Trade Agreement, marking the dawn of a new era in U.S.-South Korea relations. As America's largest free trade agreement in Asia, the KORUS FTA promises more export opportunities for U.S. businesses and manufacturers than ever before. In a relationship that has ebbed and flowed over the past few decades, President Lee's visit to the U.S. is testament that this relationship is the strongest it has ever been. Today's hearing is both timely and important in addressing the impact of expanded U.S.-South Korea relations in terms of peace, prosperity, and security in the Asia-Pacific region.

The 16th Congressional District of Illinois, which I have the honor of representing, depends heavily on manufacturing for its livelihood. Many of the products produced in the district are exported around the world. The KORUS FTA promises to boost existing exports, with economists estimating as much as $11 billion in export growth. The Agreement will also provide American companies important access to South Korea's $1 trillion market and boost the overall level of two-way trade beyond the $87 billion value recorded in 2010.

Here in the U.S., we are blessed that 1.5 million Americans of Korean descent call this nation "home." They are an integral part of the fabric of American society. Many Korean-Americans are small business owners, and their pursuit of the American Dream contributes greatly to the U.S. economy. In November 2008, South Korea qualified to join the group of countries eligible to participate in our Visa Waiver Program. Long overdue, South Korean citizens now enjoy visa-free

travel to the U.S. for tourism and business for up to 90 days along with our Japanese and Singaporean friends. The ability to easily travel back and forth is key to welcoming Korean investment and business into the U.S.

The U.S.-South Korea relationship has grown over time beyond a security alliance to a friendship of incredible depth and sophistication. I will never forget the day when former Ambassador Lee Tae-Sik made a special visit to the 16th Congressional District in Illinois to personally thank veterans of the Korean War for their efforts to defend his country and protect his people. As I stood watching this take place, I could not be but overcome with great respect and gratitude for the friendship our two nations share.

While South Korea embraces freedom, democracy, and respect for human rights, her neighbor to the north continues to shock the world with threats of weapons of mass destruction and violent provocations. In March 2010, North Korea sent tremors when it sunk a South Korean naval vessel, the *Cheonan,* killing 46 sailors. It followed this attack by shelling Yeonpyeong Island in November of the same year. The international community was outraged further when China not only remained silent, but also rewarded North Korea with further food and fuel assistance. Just this past week, the Chinese Ambassador to North Korea announced that China and North Korea are entering a new era of vigorous development, and will make unremitted efforts to consolidate and develop their friendship further.

North Korea is one of the most repressive and hostile regimes on the planet. North Korea is in a league of its own when it comes to the level of weapons proliferation, human rights violations, and illicit activities carried out by the regime. The Kim Jong-Il regime is starving its own people, and at the same time it remains a sponsor of international terrorism. Its close relationship with Syria, Iran and Burma add to this concern. It is important that we continue to work with South Korea on a joint strategic plan and do not offer concessions to North Korea. Our collective security is being threatened and we cannot tolerate this continued behavior.

In his address to Congress, President Lee expressed the sentiments of the South Korean people best when he stated, "America is our neighbor and our friend." Indeed, those words ring true now more than ever in a 60-year partnership that saw South Korea transform from poverty and dictatorship to the prosperous and thriving democracy we see today. America played a direct role in Korea's epic success. I concur with President Lee that our countries have "one of the closest,

most important economic relationships in the world." I also agree that when we "work together, we win together."

The future of our alliance is bright. I thank my Korean friends for their steadfast friendship and hope our relationship continues to evolve to benefit generations of Americans and Koreans alike.

Mr. MANZULLO. I now recognize Ranking Member Faleomavaega for his opening statement. You just got back from home, 50 hours in the air or something like that?

Mr. FALEOMAVAEGA. You don't want to know, Mr. Chairman.

Mr. MANZULLO. Okay, but I'm glad you're here. If you doze, we'll understand why.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman, and I want to commend you and your leadership in calling this very important hearing this afternoon. But first of all, I do want to recognize a dear friend who is here with us and is one of our star witnesses, my good friend, the former Assistant Secretary of East Asian and Pacific Affairs, Chris Hill, and also one of our standard bearers in negotiating and trying to negotiate with North Korea for all these years until he was transferred to another important job on behalf of our Government. So I do want to personally welcome Chris for his presence here in our subcommittee.

Also, Mr. Chairman, I think it's only fair that I say how wonderful it's been in welcoming His Excellency, the President of South Korea, not only by the White House and President Obama, but also the fact that he was given the opportunity to address the joint session of Congress to tell the world how much we feel and our close relationship with the good people and the leaders of South Korea. I think it's very indicative of President Obama's initiative and his leadership in telling our friends in the Asian region that South Korea means a lot to us, not only militarily, but in so many other ways.

I also want to commend personally the outstanding services and certainly his friendship, the former Prime Minister of South Korea who now is South Korea's Ambassador in the United States, Ambassador Han Duk-soo, who did an outstanding job in also helping and not only educating, but giving our members a better understanding of how important it is to pass the KORUS Free Trade Agreement. And I'm so happy that we finally have been able to pass that very important legislation and to establish an excellent trade relationship with our friends in South Korea.

Also to note personally, my good friend the chairman of the Hanwha Group, Chairman Kim Seung Yeon, who also was very much involved and personally lending his support for the importance of passage of this legislation.

Again, Mr. Chairman, I thank you for holding this hearing about expanding the U.S.-Korea alliance. Again, I commend the administration for the successful passage, as well as the colleagues in the Congress, in passing this free trade agreement that will create about 70,000 new jobs for our American workers. The U.S.-Korea Free Trade Agreement also promises to increase the U.S. Gross Domestic Product by $11 billion, generate about $10 billion in new U.S. export annually which I think, I hope, will also create a positive development in your District, since your District is very famous for manufacturing.

Now, the U.S. continues to be South Korea's third largest trading partner. South Korea is the United States' seventh largest trading partner. Last year, trade between the U.S. and South Korea totalled over $86 billion. Given the historic nature of the passage of the U.S.-Korea Free Trade Agreement this month, I want to pub-

licly acknowledge the grass roots efforts of Mr. Dongsuk Kim, the founder and former president of the Korean-American Voters' Council. Mr. Kim gathered Korean-American business leaders from all over the country to urge the Congress to pass the U.S.-Korea Free Trade Agreement. And I certainly applaud him for all that he has done for increasing not only an understanding, but also promoting our Korean-American community which numbers well over 3 million of our fellow Americans living here in this great country, giving us a better sense of understanding and appreciation about tremendous contributions that our Korean-American community makes to our country.

Mr. Thomas Kim, my dear friend, whose tireless efforts in representing the interests of the Korean Embassy here in the United States, all of us know him. I want to personally thank Tom for his efforts as well.

On a personal note, I also want to say that I am sorry that I'm not acquainted with our other expert witnesses, but I look forward to hearing from their testimonies and again, Chris, good to see you. I don't know what you're doing out there in Denver, but I think this is where all the action is. But again, thank you for coming.

And Mr. Chairman, thank you for your calling this hearing this afternoon. I yield back.

[The prepared statement of Mr. Faleomavaega follows:]

STATEMENT OF THE HONORABLE FALEOMAVAEGA
RANKING MEMBER

BEFORE THE SUBCOMMITTEE ON ASIA AND THE PACIFIC REGARDING
THE EXPANDING U.S.-KOREA ALLIANCE

October 26, 2011

Mr. Chairman:

I thank you for holding this hearing about the expanding U.S.-Korea Alliance and I commend the Obama Administration for the successful passage of the U.S.-Korea (KORUS) Free Trade Agreement which will create about 70,000 new jobs for American workers.

The U.S.-Korea Free Trade Agreement also promises to increase the U.S. gross domestic product by $11 billion and generate about $10 billion in new U.S. exports annually. It will also expand U.S. business access to the $1 trillion South Korean market.

For now, the U.S. continues to be South Korea's third-largest trading partner and South Korea is the United States' seventh-largest trading partner. In 2010, trade between the U.S. and South Korea totaled over $86 billion.

Given the historic nature of the passage of the U.S.-Korea Free Trade Agreement on October 12, 2011, I want to publicly acknowledge the grassroots efforts of Mr. Dongsuk Kim, founder and former President of the Korean American Voters' Council. Mr. Kim gathered Korean-American business leaders from all over the country to urge Congress to pass the U.S.-Korea Free Trade Agreement, and I applaud him for all he has done for increasing Korean voter turnout from less than 5% in 1996 to over 65% in 2008 and also for his work during the 110th Congress which led to the successful passage of H. Res. 121, a Resolution calling upon the government of Japan to issue a formal apology for its Imperial Armed Forces' coercion of young women into sexual slavery during WWII. Many of these young women were Korean and they are still awaiting their apology from Japan.

I also thank Mr. Thomas Kim for his tireless efforts in representing the interests of the Korean Embassy in the U.S. All of us know how hard Tom worked to garner support for passage of the U.S.-Korea Gree Trade Agreement.

I especially commend Korea's Ambassador to the U.S., His Excellency Han Duk-soo, for his leadership in resolving differences and getting the deal done.

On a personal note, I also express my appreciation for Chairman Kim Seung Yeon of the Hanwha Group, who personally made the time to visit Washington and rally support for passage of the U.S.-Korea Free Trade Agreement.

Once more, I thank Chairman Manzullo for holding this hearing and I welcome our witnesses and look forward to their testimony.

Mr. MANZULLO. I would like to introduce the witnesses. It's with great pleasure that we welcome Ambassador Chris Hill, a good friend of ours back to the Foreign Affairs Committee. Eni, Chris Hill and I are survivors of the New Zealand earthquake. You got caught in it and our delegation left Christchurch 2 hours and 21 minutes before it hit. It really is good to see you.

Ambassador Hill's long and distinguished career includes service as U.S. Ambassador to not one, but four countries: Macedonia, Poland, Korea, and Iraq. In between those tours as Ambassador, he managed to squeeze in tours as Assistant Secretary of State for East Asian and Pacific Affairs and as Senior Director of the National Security Council. Chris Hill's resume is well known. It's good to see you back here. He is presently dean of the Joseph Korbel School of International Studies at the University of Denver.

Bruce Klingner is the senior research fellow for Northeast Asia at the Heritage Foundation's Asia Study Center. He joined Heritage in 2007 after 20 years in the intelligence community working for the Central Intelligence Agency and the Defense Intelligence Agency. In 1993, Bruce was selected as Chief of the CIA's Korea Branch focusing on North Korea. He later served as Deputy Division Chief for Korea of the CIA's Directorate of Intelligence where he was responsible for analyzing Korean political, military, and economic issues for the President and other senior policy makers.

Tami Overby serves as vice president for Asia at the U.S. Chamber of Commerce. She's responsible for developing, promoting, and executing programs and policies related to U.S. trade and investment in Asia. Tami lived and worked in South Korea for 21 years prior to her present role. She received the Korean Order of Industrial Service Merit Award, two letters of citation, and is an honorary citizen of Seoul.

Abraham Kim is vice president of the Korea Economic Institute and oversees the organization's research programs and publications. He's an expert on U.S.-Korea relations, trade and investment, North Korea, and regional security issues. Dr. Kim also directs KEI's Academy of Korean Policy Outreach, a KEI-sponsored nonprofit organization focused on promoting Korea and its policy studies toward the United States. Prior to joining KEI, Dr. Kim was principal Korea analyst and research manager of government services at the Eurasia Group. Dr. Kim has also worked at the Science Application International Corporation and the Center for Strategic and International Studies.

I recognize the distinguished witnesses for their opening statements. We try to keep it at 5 minutes. The light will go on there. The yellow light goes on when you have 1 minute to go.

Let's start first with Ambassador Hill. It's good to see you here.

STATEMENT OF AMBASSADOR CHRIS HILL, DEAN, JOSEF KORBEL SCHOOL OF INTERNATIONAL STUDIES, UNIVERSITY OF DENVER

Ambassador HILL. Thank you very much, Mr. Chairman, Mr. Faleomavaega. It's also a great pleasure to see you. It's a great pleasure to be back here in this committee where I have spent many hours of my life, my past life, in these discussions.

I have a prepared text which with your permission I would like to read into the record or have entered into the record.

Mr. MANZULLO. Without objection, all the prepared statements of the witnesses will be made part of the record.

Ambassador HILL. Mr. Chairman, for me, it's quite unusual because I wrote it myself and cleared it with nobody except my wife, so it's quite a change in my lifestyle here.

But let me summarize from this and then of course, I will be happy to join with the others in taking questions. For a generation, Korea was known as a long and difficult war tempered by a long and as difficult peace. That has changed. Korea is now considered one of the world's great success stories with an economy that has become the envy of the world, a democracy that is one of the world's most successful, and a vibrant culture whose wave has reached the four corners of the globe. It is truly one of the great inspirations of our era.

Against this enormous success, however, remains one of the world's great tragedies, the continued impoverishment and virtual enslavement of a third of the Korean people on the northern half of the peninsula. The tragedy of this division on the Korean peninsula is one of the saddest and most brutal of the great legacies of the 20th century.

The United States is fortunate that out of these tragic historical circumstances, we've had the leadership in Congress, both among Democrats and Republicans and succeeding administrations now, spanning one dozen Presidents to understand the importance to our interest and the wisdom to stay close to the Republic of Korea, to be committed to its freedoms and its people and to count Korea among our most important alliances in the world.

It is altogether fitting that in the last month that great alliance has now been strengthened by a free trade agreement that, as with other elements of our relationship, enjoy broad support between both our major parties and also among all of the Republic of Korea's major political formations. That free trade agreement rests on a broad and deep foundation that will endure. It's a foundation that will not only act to strengthen both of our economies, but also to be the basis for global, strategic partnership between the two countries stretching into the future.

Mr. Chairman, I live in Colorado now and like many states it has not been immune to the problems facing our economy and ordinary people. Seeing the problems of unemployment firsthand, I'm very aware of the need for our trade agreements with other countries to be ones that work for both countries. I believe the Korea-U.S. Free Trade Agreement does just that, as President Lee and President Obama both made clear during President Lee's recent state visit to Washington. This trade agreement will create economic activity, not diminish it.

President Lee's pledge to our auto workers in Michigan was particularly poignant. For an economist, the logic of free trade is fairly obvious. For workers, it can be more of an illusive concept, showing these workers in both Korea and the United States a benefit of the agreement in the coming years and months will be our challenge.

Mr. Chairman, I would like to shift gears somewhat to the threat that continues to be posed by North Korea. The challenge from

North Korea, both in conventional and in weapons of mass destruction remains one of the world's most difficult. North Korea remains committed to developing nuclear weapons, not to protect itself, but rather to threaten its neighbors. It was altogether appropriate that President Bush and then Korean President, the late Roh Moo-hyun, worked hard to create and support a regional approach to this threat known as the Six-Party Process. The concept behind this approach was as sound then as it is today. The problem posed by North Korean aspirations for nuclear weapons is not just a peninsula issue involving the ROK and the United States. It is a broader issue that the international community needs to address with broader measures. Russia needs to be part of the solution. So does Japan and so especially does China.

China, in particular, remains the country with the greatest leverage for dealing with this issue. There are many theories why China has not done more. The first, and this argument is obviously one favored by the Chinese, is that it is proof that China does not have leverage. Another theory is that China fears potential refugees from North Korea. Still another is that there is enough old think in China that those who somehow worry that a North Korean collapse would amount to a victory for the United States and a loss for China. There are almost as many theories for why China has not done more than there are North Korean weapons.

What is clear is that the U.S. and ROK need to press diplomatically with others in the Six-Party Talks, especially with China to address the issue before the time comes that the North Koreans have succeeded in putting one of their crude devices, crude nuclear devices, on to a crude missile system. In particular, China needs to be convinced by the U.S. and the ROK that in the event of a North Korean collapse our alliance will not seek advantage against the Chinese. We have our interests securing the nuclear materials, protecting the population against hunger, but we will not look to disadvantage China's interest.

China has nothing to fear from the U.S. or ROK relationship, nor does it have anything to fear from the basic proposition that further arrangements on the peninsula are for the Korean people to work out. China's relations with the ROK are of enormous significance to China and to the ROK. In turn, the U.S. has nothing to fear or oppose in the strong ROK relationship.

Mr. Chairman, some day this issue will come to an end and North Korea will either become a respectable member of the international community or it will collapse. We need to be prepared for however events take this. And when it does and when the historians sift through its wreckage to find out what happened, they will see that the unshakable U.S.-ROK alliance, self confident, able to engage other key players, including China, will be the reason why this terrible legacy of the 20th century finally comes to an end. I look forward to answering your questions.

[The prepared statement of Mr. Hill follows:]

The Expanding U.S. – Korean Alliance

Testimony before the

House Committee on Foreign Affairs,
Subcommittee on Asia and the Pacific

Christopher R. Hill
Dean
The Korbel School of International Studies
University of Denver

It is a great pleasure to have the opportunity to testify before this committee on a subject of increasing importance to the United States: The U.S. – Republic of Korea Alliance.

For a generation of Americans, Korea was known as a long and difficult war tempered by a long and as difficult peace. That has changed. Through the decades since those terrible days in the early 1950s, that story began to evolve as the Republic of Korea recovered from war and embarked on a course of economic growth whose fundamental approach combined long-term investment in education and infrastructure with a commitment from succeeding generations to hard work and sacrifice. It has never been an easy process. As late as 1972, Korea's major exports were textiles, plywood and human hair wigs.

Korea is now considered one of the world's great success stories, with an economy that has become the envy of the world, a democracy that is one of the world's most successful and a vibrant culture whose wave has reaches the four corners of the globe. It is truly one of the great inspirations of our era.

Against this enormous success, however, remains one the world's great tragedies – the continued impoverishment and virtual enslavement of a third of the Korean people on the northern half of the peninsula. The tragedy of this division on the Korean peninsula is one of the saddest and most brutal of the great legacies of the 20th century. Next to this extraordinary success story sits a country, as impoverished as it is dangerous, only a short distance from The Republic of Korea's capital city of Seoul. Koreans had nothing to do with the division of its people and its lands. This was accomplished by foreigner countries including our own dealing with difficult decisions during the crucial last months of World War Two. Nobody at that time believed that this scar across the peninsula that represents the demilitarized zone could have endured so long and now into the second decade of the next century.

The United States is fortunate that out of these tragic historical circumstances we have had the leadership, in congress, among democrats and republicans, in

succeeding administrations now spanning one dozen presidents to understand the importance to our interests and the wisdom to stay close to the Republic of Korea, to be committed to its freedoms and its people and to count Korea among our most important alliances in the world.

It is altogether fitting that in the past month, that great alliance has now been strengthened by a free trade agreement that, as with other elements of our relationship, enjoys broad support between both our major parties – and also among all of the Republic of Korea's major political formations. That free trade agreement rests on a broad and deep foundation that will endure. It is a foundation that will not only act to strengthen both of our economies, but also to be the basis for the global strategic partnership between the two countries stretching into the future.

Mr. Chairman, I spent many years as a diplomat doing my small part to try to help build this relationship. When I first was assigned to the Republic of Korea just over a quarter century ago, I worked in the American Embassy's economic section dealing with the myriad of trade issues, focused primarily on issues of market access for American goods and services The reward for problems solved seemed always to be a new set of problems. Such is often the nature of trade issues. But US and Korean trade negotiations were always dedicated to solving those next set of problems. This commitment, that spanned generations of trade negotiators, has never wavered.

I live in Colorado now, far from this city. Colorado, likes many of our states, has not been immune to the problems facing our economy and ordinary people. Seeing the problems of unemployment first hand, I am very aware of the need for our trade agreements with other countries to be ones that work for both countries. I believe the Korean- US Free Trade Agreement does just that. As president Lee and President Obama both made clear during President Lee's recent state visit to Washington, this trade agreement will create economic activity, not diminish it. President Lee's pledge to our auto workers in Michigan was particularly poignant. For economists, the logic of free trade is fairly obvious, for workers it can be more of an elusive concept. Showing these workers in both Korea and the United States the benefits of the trade agreement in the coming years and months will be the challenge.

KORUS is of course the capstone of a relationship that has grown and grown. An important part of the relationship in recent years was the decision by the State Department to waive the need for visitor visas among Koreans. This has turned out to be, as many of us predicted, a benefit to both our peoples. It has strengthened the ability of our industries to work together, it is has facilitated the gathering of families during the holidays, it has helped the tourist trade (and we see this in Colorado as well). And more broadly it has helped our countries get to know each other better.

In the run-up to KORUS, our presidents have met more frequently that ever to discuss economic issues that go beyond just the Korean peninsula. Korea's economy is of global significance a fact attested to by Korea's active participation in the G-20, the group of countries whose meetings have become the most important gathering of economic leadership in the world.

The US – Korea relationship, of course, also extends well beyond the economy and visas. Our security dialogue is one befitting this most important relationship. The US and Korea cooperate throughout the world. We have deployed together in Iraq and in Afghanistan. We have worked together on problems of piracy in the Indian Ocean, and in helping to address human suffering caused by natural disasters and poverty in the global south. There is no problem in the world that does not involve consultations between Korea and the United States.

Most importantly, the US and Korea have worked to keep the peace on the Korean peninsula. It has been the unshakeable alliance that no one should ever doubt.

Mr. Chairman, I would like to shift gears somewhat to the threat that continues to be posed by North Korea. The challenge from North Korea, both in conventional terms and in WMD remains one of the world's most difficult. North Korea remains committed to developing nuclear weapons not to protect itself, but rather to threaten its neighbors. It was altogether appropriate that President Bush and the then Korean president, the late Roh Moo Hyun worked hard to create and support a regional approach to this threat known as the Six Party process. The concept behind the approach was as sound then as it is today: the problem posed by North Korean aspirations for nuclear weapons is not just a peninsula issue involving the ROK and the United States. It is a broader issue that the international community needs to address with broader measures. Russia needs to be a part of a solution there. So does Japan, and so especially does China.

China in particular remains the country with the greatest leverage for dealing with this issue. There are many theories why China has not done more. The first, and this argument is obviously the one favored by the Chinese, is that this is proof that China does not have leverage. Another theory is that China fears potential refugees from North Korea. Still another is that there is enough "old think" in China that there are those who somehow worry that a North Korean collapse would amount to a victory for the United States and a loss for China. There are almost as many theories for why China has not done more than there are North Korean nuclear weapons.

What is clear is that United States and the ROK need to press diplomatically with others in the six party talks, especially China, to address the issue before the time comes that the North Koreans have succeeded in putting one of their crude nuclear devices onto a crude missile system.

In particular, China needs to be convinced by the US and the ROK that in the event of a North Korean collapse, our alliance will not seek advantage against the Chinese. We have our interests: securing the nuclear materials, protecting the population against hunger, but we will not look to disadvantage China's interest. China has nothing to feat from the US-ROK relationship, nor does it have anything to fear from the basic proposition that future arrangements on the peninsula are for the Korean people to work out. China's relations with the ROK are of enormous significance to China and to the ROK. In turn, the US has nothing to fear or oppose in a strong ROK relationship with China.

A supportive as I continue to be of the Six Party Process, I am not optimistic about any early breakthroughs. This lack of optimism does not mean our efforts should in any way diminish. The decision to meet with the North Koreans in New York and just this week in Geneva is a good one. It is not a negotiation as such, as I understand, but rather a needed conversation with the North Koreans to remind them of the obvious: we will not and we cannot accept North Korea as a nuclear power. To do so would fundamentally call into question the international non-proliferation regime not to speak of creating continued tensions within the region. The Six Party Process remains the best mechanism for dealing with the issues. We should be prepared wherever possible for inderdiction efforts to prevent North Korean proliferation. We should also continue through sanctions to maximize the pain to North Korea of maintaining this appetite for nuclear weapons. North Koreans may not be fast learners, that they will eventually understand that we will never accept their aspirations as legitimate. We also should continue to make clear that should they decide to change their course and begin the long road of economic development and respect for human rights, a road they have to date shown no interest in taking, we are prepared, working with other countries, to help them on that road.

Mr. Chairman, some day, this issue will come to an end, and North Korea will either become a respectable member of the international community or it will collapse. We need to be prepared for however events take this. I am convinced that on its present course North Korea's days are numbered. I cannot predict when and nor can I predict how, but sooner or later, as history has shown in other parts of the world, North Korea will fail.

And when it does, and when the historians sift through its wreckage to find out what happened, they will see that the unshakeable US-ROK alliance, self-confident, able to engage other key players, including China, will be the reason why this terrible legacy of the 20th century finally came to an end.

I look forward to answering any questions the committee might wish to pose.

Mr. MANZULLO. Thank you, Ambassador.
Mr. Klingner.

STATEMENT OF MR. BRUCE KLINGNER, SENIOR RESEARCH FELLOW FOR NORTHEAST ASIA, THE HERITAGE FOUNDATION

Mr. KLINGNER. Thank you, Mr. Chairman and distinguished members of the committee. It is indeed an honor to appear before you.

The tragic 3 years of conflict that began on June 25, 1950 have been referred to as "The Forgotten War." It is an unfitting label since neither North Korea's invasion or the American sacrifices will ever be forgotten by the Republic of Korea, nor should that shared ordeal ever be forgotten by those Americans who treasure freedom and the willingness to defend it.

This alliance forged in blood is not merely historic legacy. As tragically demonstrated by North Korea's two unprovoked acts of war last year against our South Korean ally, those attacks made all too clear that the need for vigilance has not diminished. Alliance managers in both countries describe the current military, political, and economic ties as the best they've ever seen. With the recent approval of the KORUS FTA, there are no major substantive areas of disagreement between Washington and Seoul. Indeed, much of the recent summit between Presidents Obama and Lee was to discuss additional areas of bilateral cooperation beyond the Korean Peninsula.

The U.S.-South Korean security alliance has been indispensable in maintaining peace and stability in northeast Asia. The U.S. security guarantee has long deterred a North Korean attack while providing the shield behind which South Korea developed its economic strength and institutionalized democratic rule.

South Korea has devoted considerable resources to protecting itself against a daunting spectrum of North Korean military threats. Seoul has recently initiated extensive defense reforms to enable its military to better protect the country while concurrently expanding its security reach beyond the Korean Peninsula.

In March of this year, Seoul announced 73 defense reform objectives of a new defense reform plan called DR 307. These objectives will better prepare South Korea to assume more time operational command in 2015, as well as address deficiencies identified in the South Korean military response to last year's attacks. Seoul should be commended for creating an organizational structure capable of assuming independent military command with the U.S. to serve in a supporting role. That said, there are still challenges ahead.

South Korean forces still have insufficient agility to respond effectively to Yeonpyeong's tactical provocations. South Korean forces are not currently organized for joint operations, particularly at the tactical level. However, the U.S. and South Korea are currently engaged in bilateral efforts to improve Korean and alliance provocation response capabilities.

Another area for improvement is South Korean missile defense. During the two previous South Korean Presidents, Seoul downplayed the growing North Korean missile threat for political reasons. The result is that South Korea currently has insufficient missile defenses against North Korea's missile threat. Under Presi-

dent Lee Myung-bak, South Korea has been more receptive to augmenting missile defenses. It has not followed through with requisite actions such as purchasing land-based PAC–3 missiles and seaborne SM–3 missiles.

Of course, South Korea does not bear its security burden alone. Despite its security reform initiatives, South Korea will remain heavily reliant on U.S. military capabilities. And even after wartime OPCOM transfer, Seoul's alliance with the United States will continue to play an irreplaceable role in maintaining peace and stability.

In order to remain an effective deterrent, defense, and response capability, the U.S. must maintain a robust forward-deployed military presence in South Korea at promised levels and affirm our unequivocal extended deterrence commitment. We must also fully fund on-going U.S. military realignment plans in South Korea and Japan including the Yongsan Base Relocation, the Land Partnership Plan, and accompanied tours.

Also, constructing the Futenma Replacement Facility in Okinawa for U.S. Marine Corps Air Units is crucial for maintaining U.S. military capabilities including for Korean contingencies. Proposed cuts by the U.S. Senate Armed Services Committee would undermine years of carefully crafted diplomacy that achieve U.S. strategic objectives. And potential additional draconian cuts of $500 billion to the defense budget could have a devastating impact on U.S. ability to deter security threats in Asia, protect American national interests, and fulfill our defense treaty obligations.

In conclusion, the U.S.-South Korea alliance has been under valued in recent years. The U.S.-Japan alliance is critical to American interests, but South Korea has capabilities that are not available to Japan. Tokyo is constrained in its security contributions by its historic legacies, constitutional limits, restrictive rules of engagement, and low defense spending. U.S. policy statements that imply secondary status for American military relations with South Korea are a disservice to the stalwart military bonds forged during 60 years of the bilateral alliance with Seoul.

Thank you again for the opportunity to appear before you. And I look forward to your questions.

[The prepared statement of Mr. Klingner follows:]

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CONGRESSIONAL TESTIMONY

The Expanding U.S. – Korea Alliance: Protecting Freedom and Democracy in Asia

Testimony before
Committee on Foreign Affairs
United States House of Representatives,
Subcommittee on Asia and the Pacific

October 26, 2011

Bruce Klingner
Senior Research Fellow, Northeast Asia
The Heritage Foundation

My name is Bruce Klingner. I am Senior Research Fellow for Northeast Asia at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

It has been said that the U.S. – Republic of Korea alliance was 'forged in blood.' That is surely true, because the true mettle of an enduring partnership…of a *friendship* such as that between our two countries, can only come when we have shared not only the best of times, but also of the worst of times.

Those tragic three years of conflict that began on June 25, 1950 have been referred to as "The Forgotten War." It is an unfitting label since neither it nor American sacrifices will ever be forgotten by the people of the Republic of Korea. Nor should that shared ordeal ever be forgotten by those Americans who treasure freedom and the willingness to bravely fight for it even against seemingly insurmountable odds.

This alliance forged in blood has also been tempered by repeated crisis. The events of June 1950 are not merely a distant historical event. Last year North Korea conducted two unprovoked acts of war against our South Korean ally. These attacks, along with previous North Korean provocations, make all too clear that the need for vigilance has not diminished.

Even as the Republic of Korea participates in international efforts to further the causes of freedom and democracy overseas, it must maintain a strong military to protect those values at home against the North Korean threat.

The U.S.-South Korean alliance has been undervalued in recent years. The U.S.-Japan alliance is critical to American interests, but South Korea has capabilities that are not available to Japan. Tokyo is constrained in its security contributions by its historical legacies, constitutional limits, restrictive rules of engagement, and low defense spending.

U.S. Reception of Lee Myung-bak Reflects Strength of the Alliance

The United States took out all the stops during President Lee Myung-bak's visit this month in order to demonstrate the strength of the bilateral relationship. Alliance managers in both countries describe the military, political, and economic ties as the best they've ever seen. President Lee was accorded a formal state visit, a state dinner, addressing a joint session of Congress, and even a road trip with President Obama to Detroit.

This treatment is not an accident. It is a reflection of how fulsome the relationship is which is the result of a lot hard work by both sides. With the approval of the Korea-US Free Trade Agreement, there are no major substantive areas of disagreement between Washington and Seoul. Indeed, much of the summit was to discuss additional areas of bilateral cooperation beyond the Korean Peninsula.

China and North Korea should take note of the shared values, visions, national interests, and objectives that this relationship is built on. Japan should see that the strength of the U.S.-Republic of Korea relationship is based on both past achievements and the likelihood of future progress. This goes beyond mere rhetoric or promises of action that repeatedly go unfilled.

Strong Alliance Supports Bilateral Objectives
The U.S.-South Korean security alliance has been indispensable in achieving Washington's strategic objectives and maintaining peace and stability in northeast Asia. The U.S. security guarantee has long deterred a North Korean attack while providing the shield behind which South Korea developed its economic strength and institutionalized democratic rule.

South Korea has devoted considerable resources to protecting itself against a daunting spectrum of North Korean security threats. Seoul has initiated extensive defense reforms to enable its military to protect the country more effectively while concurrently expanding its security reach beyond the Korean Peninsula. These reforms are commendable and will redress many of South Korea's security shortcomings.

South Korea does not bear its security burden alone, however, and its alliance with the United States will continue to play an irreplaceable role in maintaining peace and stability throughout East Asia. Despite its security reform initiatives, South Korea will remain heavily reliant on U.S. military capabilities.

Washington should therefore support Seoul's defense reform initiatives while continuing to ensure South Korea's security through U.S. military deployments and the extended deterrence guarantee.

South Korean Defense Reforms
On March 8, 2011, South Korean Defense Minister Kim Kwan-jin announced 73 short-, mid-, and long-term military reform objectives of a new defense reform plan DR to be implemented during 2011 to 2030. The DR 307 plan derives its name from the date—March 7, or 3/07—on which it was approved by President Lee Myung-bak.

Defense Minister Kim stated that the plan's main priorities were "strengthening cohesion of the armed forces, obtaining active deterrence capabilities, and beefing up efficiency." He commented that ROK forces had become bulky and inefficient during the past 20 years, degrading their ability to respond to North Korean provocations.

Deficiencies in the ROK military's response to the North Korean attacks in 2010 demonstrated the need to expand and accelerate ongoing efforts to improve South Korean joint operational capabilities. The Presidential Commission for the Advancement of National Defense recommended that a single commander have authority over all military services' combat assets.

After the attacks, South Korea shifted the main priority of its defense planning. Rather than preparing for a large-scale invasion and total war, Seoul focused on flexible, customized responses to localized military attacks. For example, defense planners placed greater emphasis on the navy and air force's role in retaliating against North Korean infiltrations and tactical provocations, particularly in the West Sea.

This shift marks a reversal from earlier assessments that predicted North Korea's conventional force threat would decrease, allowing Seoul to prioritize its navy and air force for missions away from the Korean Peninsula.

Following the Cheonan attack, Chief of Naval Operations Admiral Kim Sung-chan redirected the navy's focus away from a decade-long emphasis on blue-water operations toward increased readiness against North Korean attacks. The navy increased procurement for anti-submarine warfare, including minesweepers, anti-submarine helicopters, and sensor systems.[1]

While an earlier defense reform plan (DRP 2020) was focused primarily on future North Korean threats, the two attacks in 2010 prompted the Lee administration to redirect defense reform toward near-term security initiatives. Although DR 307 has mid- and long-term elements, Seoul will now be focused on enhancing military readiness against imminent North Korean asymmetric threats.

Defense Minister Kim explained that the aim of DR 307 was to "proactively deter current threats posed by the enemy rather than cope with potential threats in the future." Kim added that with DR307, "it will take one or two days for our military to destroy North Korea's long-range artillery pieces, from the current one week."[2]

Parameters of DR 307. The Ministry of Defense announced that DR 307 contained several changes in the Korean military command structure, unit structure, troop structure, and force structure. Specifically, DR 307 called for:

- **Command structure reform.** This reform creates an efficient military command system to take the initiative in war planning, preparing for theater operations after wartime OPCON transition, and establishing a new combined defense system for South Korean–U.S. combined operations.
- **Unit structure reform.** This reform reduces the number of units and streamlines the mid-tier command elements by augmenting combat capabilities of combat troop organizations.
- **Troop structure reform.** This reform shifts the military command toward a technology-intensive structure supported mainly by officers and NCOs—an attempt to address the current dearth of skilled soldiers.
- **Force structure reform.** This reform prepares the South Korean army to confront current and future North Korean threats by reinforcing jointness of forces and procuring necessary war capabilities.[3]

Improving Military Service Jointness. DR 307 improves interoperability and combat effectiveness of South Korea's armed forces by restructuring the top military command structure and better integrating the different service branches. The South Korean joint chiefs of staff have

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[1] Jung Sunk-ki, "Navy to Focus on Littoral Warfare," Korea Times, September 15, 2010, at http://www.koreatimes.co.kr/www/news/nation/2010/09/205_73102.html.
[2] Yonhap News, "Defense Chief Unveils Plans to Reform Military, Enhance Interoperability," March 8, 2011, at http://english.yonhapnews.co.kr/national/2011/03/08/69/0301000000AEN20110308011300315F.HTML.
[3] Republic of Korea, Ministry of National Defense, 2010 Defense White Paper, May 5, 2011, p. 136, at http://www.mnd.go.kr/cms_file/info/mndpaper/2010/2010WhitePaperAll_eng.pdf.

been strengthened so that the chairman will now command all operations during war and peacetime following wartime OPCON transition.

The chairman, JCS will function as the theater operational commander with limited administrative authority (personnel, logistics, training) over the military services. Rather than concentrating only on administrative tasks, the service chiefs will be put into the operational chain of command under the chairman, JCS.

The operations commands of the Army, Navy, and Air Force will be merged, and each of the three armed services will command the unified operations units. These changes will transform the joint chiefs of staff into an inter-service operational command.

DR 307 also mandates enhancing early warning and real-time battlefield surveillance and reconnaissance capabilities both on the Korean Peninsula and in the surrounding areas. To have the capacity to fulfill this mandate, South Korea will need to boost its network-centric warfare capabilities by establishing a command, control, communications, computer and intelligence (C4I) system and battlefield network in order to secure its capacity for integrated combat.[4]

Defending Against North Korean Incursions. To boost defenses of the northwest border islands, Seoul will augment military forces and sensors in the area, increase alliance naval and combined-arms exercises in the West Sea, and establish a joint command headquarters.[5] DR 307 reverses DRP 2020's planned reduction of 4,000 Marines and instead augments the Korean Marine Corps by 2,000 to 4,000 additional Marines.

Seoul will address long-standing logistical shortcomings by purchasing 40 more helicopters for the Marine Corps as well as additional amphibious ships and light-armored vehicles. Furthermore, in addition to accelerating the procurement of high-altitude spy drones, South Korea will secure advanced counter-battery radar systems and precision-guided munitions capable of attacking North Korean artillery systems.

DR 307 Improves South Korean Combat Capabilities. DR 307 lays a strong foundation for South Korea's planned transfer of wartime OPCON in 2015.[6] Seoul should be commended for creating, for the first time, an organizational structure capable of assuming independent military command while the United States serves in a supporting role.

The plan will enable South Korea to develop a more flexible and joint military force. By redressing the divided military command and administrative structure, Seoul will be able to exercise more effective joint command.

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[4] *Ibid*, p. 144.

[5] Republic of Korea, Ministry of National Defense, "Defense Ministry Unveils New Defense Reform."

[6] Wartime OPCON Transition will shift from a command system centered on the ROK–U.S. Combined Forces Command to a new combined defense system led by the South Korean Joint Chiefs of Staff (JCS) and supported by a to-be-created U.S. Korea Command. In 2006, President Roh Moo-hyun requested that the U.S. return wartime operational control (OPCON) of ROK forces. In 2007, the U.S. and South Korea agreed to OPCON transfer in April 2012. The transfer was subsequently postponed until 2015.

Revised Plan Still Faces Challenges. Without question, DR 307 will improve South Korea's ability to prevail in a major war against North Korea. However, DR 307 does not provide South Korea with the agility or military efficiency to respond to Pyongyang's tactical provocations. Furthermore, senior U.S. military officials have privately commented that South Korean forces are not currently organized for joint operations, particularly at the tactical level.

The South Korean military's tactical deficiencies are primarily the result of insufficient inter-connectivity between the various service branches. The military also lacks necessary tactical C4ISR and training to conduct cross-service operations. The Combined Forces Command (CFC), which will cease after the transfer of wartime OPCON authority in 2015, provides cross-integration and jointness at subordinate levels. All South Korean units are tied into the CFC, which serves as the overall coordinating body for Seoul's military.

With cessation of the CFC looming, South Korea needs to put into place agile command and control structures that enable the rapid application of appropriate joint military power at the tactical level with control at the operational or even strategic level. DR 307 does not fulfill this requirement—an oversight that must be addressed in the near future.

For all its improvements over earlier defense reform plans, DR 307 still faces fiscal challenges. DR 307 remains reliant on government funding for required defense resources. In the past, South Korea has often purchased "shiny baubles" (high-tech weapons) without also acquiring necessary logistics, sustainment, training, C4ISR enables, and integration capabilities. Seoul must ensure that it does not repeat the same mistake as it moves forward with funding DR 307.

Current Missile Defense Inadequate to Defend South Korea

Despite North Korea's steadily increasing missile threat, previous South Korean Presidents Kim Dae-jung and Roh Moo-hyun downplayed the danger in order to garner domestic support for their outreach toward Pyongyang. The presidents were fearful that deploying a missile defense system or even criticizing North Korea over its military provocations and human rights abuses would anger Pyongyang, lead to a collapse of the inter-Korean engagement policy, and strain relations with China.

President Roh resisted joining an integrated missile defense system with the United States and Japan. Instead, he limited the South Korean response to building a low-tier missile shield of older land-based Patriot-2 missiles and SM-2 Block III A/B missiles on Aegis destroyers without theater ballistic missile capability.

Seoul has instead focused on an independent South Korean missile defense system which remains at the preliminary stage. The most capable missile defense systems on the Korean Peninsula are the 64 PAC-3s operated by the U.S. Army.

Since Lee Myung-bak was elected president, South Korea has been more receptive to augmenting missile defenses, but has not followed through with requisite actions. Most notably, Seoul continues to resist joining a comprehensive regional network with the United States and Japan.

Noh Dae-lae, the head of the Defense Acquisition Program Administration, told a National Assembly hearing that Seoul would be unable to properly counter North Korea's ballistic missiles capable of carrying chemical or even nuclear warheads for the next 10 years.[7]

Calibrating South Korean Defense Capabilities to the Threat. To adequately defend itself against the ballistic missile threat, South Korea must deploy a more sophisticated missile defense system, including PAC-3 and SM-3 missiles. To implement a regional missile defense network, Seoul and Tokyo would need to establish new military relationships, including sharing security information. Linking sensors would improve defense capabilities against short-range ballistic missiles.

Such cooperation would also be an effective way to augment nascent trilateral military operations among the U.S. and its allies, which, to date, have been hampered by historic animosities and unre-solved political issues between South Korea and Japan.

Expanding the Alliance Role: Bigger Is Better

To respond more effectively to the 21st century threat environment, it is important that the alliance begin the evolution from a singularly focused mission to a more robust values-based relationship that looks beyond the Korean Peninsula.

The alliance is currently focused on the North Korean threat, but "heightened nationalism, historical animosities, territorial disputes, resource competition, and historical struggles for regional hegemony all come together to pose long-term regional security challenges in this area which is so critical to our economy and other national interests."[8]

The U.S. and South Korea should develop a strategic, multifaceted, values-based alliance that addresses peninsular, regional, and global security requirements. It is in America's interest to have South Korea as a global partner in responding to regional and global security issues.

South Korea is already purchasing some capabilities that would allow it to assume a larger regional role. Some recent military acquisitions are better suited to addressing post-unification threats than to dealing with North Korean threats. These include King Sejong-class 7,600-ton Aegis destroyers, Type 214 submarines, and indigenous long-range cruise missiles such as the 1,500 km-range Hyunmoo 3C.

South Korea could expand its global role include counterterrorism, counterproliferation, regional stability, natural disaster relief, humanitarian operations, and protecting sea lanes of communication.

What South Korea Should Do

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[7] Lee Tae-hoon, "South remains defenseless against North's missile threats," *The Korea Times,* October 24, 2011, http://www.koreatimes.co.kr/www/news/include/print.asp?newsIdx=97240.

[8] General Burwell B. Bell, testimony in hearing, Fiscal Year 2009 National Defense Authorization Budget Request for U.S. Pacific Command and U.S. Forces Korea, Committee on Armed Services, U.S. House of Representatives, March 12, 2008.

- **Fully fund defense requirements.** Budget shortfalls have always undermined attempts to reform South Korea's military. For any defense reform initiatives to take hold, Seoul must ensure legislative approval of necessary laws and sufficient budgetary resources.

  The new defense reform plan should be implemented without delay to ensure a strong national security posture. If Seoul does not fully fund DR 307, it should reduce the pace of planned force reductions.

- **Procure proper equipment.** As the South Korean military continues to modernize, it must procure the right equipment, weapons, and force mix to provide strong deterrent and combat capabilities. Seoul should acquire:
  1. Improved command, control, communication, computer, intelligence, surveillance, and reconnaissance capabilities to enable integrated combat capabilities down to tactical level. This improvement requires sensors such as AWACs and high-altitude UAVs as well as integrating command and communication systems.
  2. Enhanced long-range precision-strike capabilities, including fifth-generation fighter aircraft, attack helicopters, precision-guided munitions, extended-range surface-to-surface missiles, and counter-battery radar and artillery systems.
  3. Target-location and target-designation equipment for ground tactical teams' control of aerial delivered precision guided munitions.
  4. Increased sealift and airlift for the Marine Corps by purchasing more amphibious ships, transport helicopters, and light armored-vehicles.
  5. Flexible systems to fulfill multiple missions and enhance interoperability among services. For example, the Dokdo helicopter transport ship improves sealift, enables Marine amphibious assaults against North Korea, and supports overseas HADR and peacekeeping missions.

- **Create a joint task force headquarters for crisis response.** In order to conduct smaller-scale strike missions, the ROK should establish, equip, and train a standing joint task force headquarters directly subordinate to C/JCS. Similar to a U.S. Joint Task Force, there would not be a large number of units assigned to the headquarters. Instead, varying units would be assigned temporarily to the headquarters to conduct training for limited attack scenarios.

  Developing a clearly defined unified command structure would enable Seoul to synchronize selected combat power from all of South Korea's military services. In doing so, the South Korean military could conduct limited but powerful retaliatory strike missions in response to North Korean military provocations and aggression.

- **Expand the South Korean Marine Corps.** The first step in any such expansion would be to fulfill the presidential task force's recommendation to add 4,000 Marines to the Marine Corps. Expanding the ROK Marine Corps would have several important benefits: It would enhance any defense of the northwest islands; it would increase full-spectrum attack capabilities against the North; and it would support Seoul's "Global Korea" strategy by

permitting greater off-peninsula participation in U.N. peacekeeping operations and other international security missions.

- **Improve the reserve mobilization system.** Currently, all ROK reserve military units are mobilized at Defcon 2; a more tailored mobilization structure could allow some units to be mobilized at Defcon 3. Also, the ROK should improve reserve training to ensure that it is able to respond to North Korean rear area attacks or regime collapse.

- **Deploy a multilayered missile defense system.** Such a system should be interoperable with a U.S. regional missile network to provide for a more coherent and effective defense of allied military facilities and the South Korean populace. This system would include purchasing and deploying PAC-3 ground-based missiles and SM-3 missiles and augmenting missile defense planning and exercises with the U.S. and Japan.

What the U.S. Should Do

Although defense reform is an internal South Korean issue, America's national interests remain at stake, as any reforms affect the alliance's capabilities against the multi-faceted North Korean military threat. It is therefore important for the United States to remain fully engaged in the evolution and implementation of DR 307.

- **The U.S. Congress and the South Korean National Assembly should hold public hearings regarding peninsular security issues.** These hearings should address what steps need to be taken to ensure that the alliance is still able to deter, defend, and defeat any North Korean aggression. Maintaining transparency between the allies and the populaces of both South Korea and the United States is necessary to secure strong public support for defense reform initiatives and U.S. military forces on the Korean Peninsula.

  These hearings should also provide a threat assessment of North Korea's military; the roles, missions, and capabilities of South Korean forces; their relationship with U.S. forces both pre- and post-transfer of wartime OPCON; and requisite funding levels. Both countries should determine necessary defense funding levels, identify any potential shortfalls, and review the plans to redress them.

- **Washington should accept South Korea's request to extend its ballistic missile range.** As South Korea prepares to assume greater responsibility for its own defense, it makes sense for Seoul to be able to hold all North Korean targets at risk. Seoul does not have a ballistic missile capability to target all North Korean missile units because of self-imposed range limits on South Korean missiles. Currently, Seoul's surface-to-surface ballistic missiles are limited to a range of 300 kilometers; this should be extended to 1,000 km.[9]

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[9] In 1979, South Korea signed an agreement with the U.S. to limit its ballistic missile capabilities to 180 km (112 mile) range and 500 kilogram payload. In 2001, the U.S. and South Korea modified the agreement to allow Seoul to develop missiles to the export limit of the Missile Technology Control Regime (MTCR), i.e., a range of 300 km (186 miles) with a 500 kilogram payload.

South Korea's voluntary self-restriction did not prevented North Korea from developing missiles that exceeded the MTCR ranges. Seoul should have a sufficiently robust indigenous force to deter, defend, and defeat North Korean hostile actions, including a ballistic missile attack.

- **Washington must maintain a robust forward-deployed military presence in South Korea.** Such a presence is necessary to defend a critical ally and maintain peace in Northeast Asia. The Obama Administration should therefore emphasize its commitment both to maintaining U.S. forces at the promised 28,500 troop level and to augmenting those forces during a crisis in order to deter, defend against, and defeat security threats to the region.

  Washington should also affirm its unequivocal commitment to defending South Korea by maintaining the threefold U.S. promise of extended deterrence comprised of conventional forces, missile defense, and the nuclear umella.

- **Congress should fully fund ongoing U.S. military realignment plans in South Korea and Japan.** These plans include the Yongsan base relocation, land partnership plan, and family housing for accompanied tours. Constructing the Futenma Replacement Facility on Okinawa for U.S. Marine Corps air units is critical for maintaining U.S. military capabilities, including for Korean contingencies.

  Proposed cuts by the U.S. Senate Armed Services Committee would undermine years of carefully crafted diplomacy that achieved U.S. strategic objectives and resolved contentious issues with allies.

  Potential additional draconian cuts of $500 billion to the defense budget would have a devastating impact on U.S. ability to deter security threats in Asia, protect American national interests, and fulfill our defense treaty obligations to critical allies in the region.

- **The United States should augment deployments and training exercises in South Korea** by:
  1. Increasing training deployments of the 31st Marine Expeditionary Unit (stationed on Okinawa) to South Korea to facilitate improvement of South Korean Marine capabilities as part of DR 307 and Northwest Island Command;
  2. Demonstrating that the strategic flexibility strategy also works to South Korea's advantage by including U.S. combat units deployed from the United States and U.S. forward bases in Asia in future training exercises on the Korean Peninsula;
  3. Increasing the scope and frequency of naval exercises, including U.S. carriers, particularly in the West Sea;

The Missile Technology Control Regime is a voluntary arrangement among countries to control the export of ballistic missiles (and their components) capable of delivering weapons of mass destruction. The only specific restriction in the MTCR is a prohibition on the transfer of missile production facili-ties. The agreement permits cooperation among member countries, including missile transfers, as long as the recipient country pledges not to modify any transferred systems to deliver weapons of mass destruction.

4. Returning an Army attack helicopter battalion to South Korea; and
5. Forward deploying an additional U.S. Air Force combat fighter squadron to South Korea.[10]

A Critical Journey Begins

South Korea has begun a necessary though difficult journey to modernize its military structure and implement a more effective command structure. For this, America's ally should be strongly commended. The benefits of such reform are impressive: DR 307 will enable South Korea to assume the mantle of wartime operational control in 2015 more effectively. The defense reform plan also improves Seoul's ability to conduct large-scale military operations in response to a North Korean invasion.

Yet questions remain about Seoul's ability to respond to North Korean limited attacks and provocations, such as those against the Cheonan and Yeonpyeong Island. Washington should work with its ally to ensure that South Korea can respond to any future attack.

While North Korean threats will remain the paramount focus of the U.S.–South Korean alliance, neither country should lose sight of the benefits of Seoul's "going global" with its political, economic, and military capabilities. Seoul should be encouraged to assume a greater role on the world stage that is commensurate with its growing capabilities.

The Joint Vision for the Alliance announced by Presidents Obama and Lee in June 2009 called for building a comprehensive strategic alliance that addressed not only bilateral concerns, but regional and global issues as well.[11]

U.S. policy statements that imply a secondary status for American military relations with South Korea vis-à-vis Japan are a disservice to the stalwart military bonds forged during 50 years of the bilateral alliance with Seoul.

South Korea serves as a shining example of how a small nation can benefit from the international community. In turn, this "miracle on the Han River" can now reach out to assist other nations.

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[10] General B.B. Bell, "What Must Be Done About North Korea," Center for Strategic and International Studies, Office of the Korea Chair, December 14, 2010, at http://csis.org/files/publication/101214_What_must_be_done_about_North_Korea_Platform.pdf

[11] The White House, "Joint Vision for the Alliance of the United States of America and the Republic of Korea," June 16, 2009, at http://www.whitehouse.gov/the_press_office/Joint-vision-for-the-alliance-of-the-United-States-of-America-and-the-Republic-of-Korea.

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Mr. MANZULLO. Thank you.

Ms. Overby, we look forward to your testimony.

STATEMENT OF MS. TAMI OVERBY, PRESIDENT, U.S.-KOREA BUSINESS COUNCIL

Ms. OVERBY. Thank you, Mr. Chairman, distinguished members. On behalf of the U.S.-Korea Business Council and the U.S. Chamber of Commerce and its members, thank you for the opportunity to speak with you today.

The U.S.-Korea Business Council is the premiere business advocacy organization representing America's top companies investing in Korea. The Council is made up of senior executives of U.S. companies from every business sector that are major investors in Korea and are firmly committed to the Korean market. The Council has led efforts in support of the U.S.-Korea Free Trade Agreement since the start of negotiations in February 2006.

As signed into law by President Obama last week, this agreement successfully addresses many of the market access and regulatory barriers that have long presented challenges to the expansion of trade and investment between our two countries. KORUS further strengthens our shared commitment to open trade and commerce and holds extremely positive implications for both large and small American business.

We salute the work of Congress and the Subcommittee on Asia and the Pacific in ratifying the FTA and we await passage of the agreement in the Korean National Assembly. The U.S.-Korea FTA is the most commercially significant trade agreement America has entered into since NAFTA. Korea is America's seventh largest trade partner with $88 billion in two-way trade last year; the fifth largest market for U.S. agriculture goods. And last year, our ag. exports totaled nearly $5 billion.

South Korea is also the second largest market for U.S. services in Asia and U.S. cross border export of services in Korea total $12 billion in 2010. Conservative estimates hold that KORUS has the potential to create as many as 70,000 American jobs, a conservative figure that does not capture the full potential for growth. The U.S.-Korea FTA is vital not only for creating new jobs and growth, but also to halt the erosion of U.S. market share and competitiveness as South Korea enters into preferential trade agreements with other major economies. This new partnership addresses Korea's complex regulatory system and other non-tariff barriers with strong provisions and protections that open the market, protect U.S. interests and set the bar higher for future trade pacts. This is an important opportunity for the United States to shape the future trade agenda in Asia.

Uniquely positioned in the region, Korea will now serve as a launching pad for U.S. goods and services. With strong rule of law, enhanced intellectual property protection, a high education rate, and a passionate workforce, Korea will enhance U.S. ties to all of northeast Asia in addition to its own trillion-dollar marketplace.

KORUS affirms Korea as the only country in northeast Asia with a U.S. free trade agreement, thus providing American workers, farmers and companies with an important edge over our global competitors. Successful implementation of this landmark agree-

ment now stands as our primary concern. Before the FTA can formally enter into force, both countries must demonstrate their compliance with all obligations that will take effect on Day 1. This includes specific tariff revisions and product-specific rules as well as administrative and regulatory changes covering issues such as Customs and procurement.

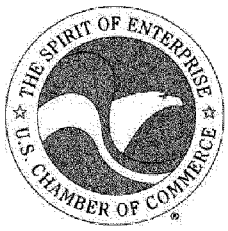
Immediately following President Lee's signature, officials from both nations will schedule comprehension discussions to review bilateral law adjustments and following this, the exchange of formal diplomatic notes will empower the agreement. While these steps must be expeditiously carried out in order to meet the first of the year deadline, this is only the beginning of a much larger plan that must be executed. Understanding the many challenges that will arise during this implementation process, the U.S.-Korea Business Council is poised to collaborate with government officials as well as our Korean colleagues to discuss and resolve issues that have impeded past agreements.

U.S. businesses, small and large, must have a clear and navigable route to this fertile market and the Chamber is proud to play a leading role in these efforts. Following the implementation, a working level dialogue will be established to discuss economic policies that affect both countries and give U.S. companies a voice in the Korean marketplace. Korea wishes to become a regional financial hub and in order to do this, transparency within the market must be increased. Under this new spirit of openness, U.S. business will thrive.

Mr. Chairman, Mr. Ranking Member, members of the subcommittee, I greatly appreciate the opportunity to testify on this expanding alliance. By demonstrating that we are willing and able to embrace new opportunities in an increasingly competitive market, we are reinforcing America's economic leadership in the region. The U.S. Chamber and the U.S.-Korea Business Council are firmly committed to working with Congress and the administration to ensure successful implementation of the U.S.-Korea FTA and to advance U.S. interests in Asia and around the world.

Thank you very much.

[The prepared statement of Ms. Overby follows:]



Statement of the U.S. Chamber of Commerce

ON: "The Expanding U.S.-Korea Alliance"

TO: House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific

BY: Tami Overby
President, U.S.-Korea Business Council
Vice President, Asia, U.S. Chamber of Commerce

DATE: October 26, 2011

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees, 70 percent of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross section of the American business community in terms of number of employees, the Chamber represents a wide spectrum by type of business and location. Each major classification of American business manufacturing, retailing, services, construction, wholesaling, and finance — is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 115 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

On behalf of the U.S.-Korea Business Council, the U.S. Chamber of Commerce, and it's members, thank you Chairman Manzullo, Ranking Member Faleomavaega, and distinguished members of the Subcommittee for the opportunity to speak with you today.

The U.S.-Korea Business Council, hosted by the U.S. Chamber, is the premier business advocacy organization representing America's top companies investing in Korea. The Council is made up of senior executives of U.S. companies from every business sector that are major investors in Korea and are firmly committed to the Korean market. The Council has led efforts in support of the U.S.-Korea Free Trade Agreement (FTA) since the start of negotiations in 2006.

The Council applauds the work of Congress and the Administration in concluding the KORUS FTA. This agreement successfully addresses many of the significant market access and regulatory barriers that have long presented challenges to the expansion of trade and investment between our two countries. We salute the work of Congressional leadership in ratifying the FTA and we await passage of the agreement in the Korean National Assembly. As a reminder, the ruling party controls 172 seats out of 299 in the National Assembly and while we expect passage to be loud and bumpy, we do expect they will ratify the agreement soon. I would also note that the FTA was negotiated while the opposition party was in power.

Trade and investment with South Korea already contribute significantly to the U.S. economy and supports tens of thousands of U.S. jobs. It further deepens the important economic links between our two countries and reinforces a bilateral partnership that has promoted regional security and prosperity in East Asia for over fifty years. This agreement further strengthens our shared commitment to open trade and commerce and holds extremely positive implications for both large and small U.S. businesses. We must now turn our attention to the important task of successfully implementing the agreement and we must work together to reap its full benefits.

New Access to a Dynamic Market: Economic ties between the United States and Korea are robust, and the extent of the bilateral trade and investment relationship make the U.S.-Korea FTA the most commercially significant trade agreement the United States has entered into in more than 15 years. Korea is the United States' seventh-largest trading partner in terms of two-way trade, which reached nearly $88 billion in 2010, and U.S. exports to South Korea totaled $39 billion last year. Korea is the fifth-largest market worldwide for U.S. agricultural goods, with U.S. agricultural exports totaling nearly $5 billion in 2010. South Korea is also the second-largest market for U.S. services in Asia, and U.S. cross-border exports of services to Korea totaled $12 billion in 2010. As impressive as these figures are, they will increase dramatically following implementation of KORUS.

Job Creation: The U.S.-Korea FTA will generate substantial new opportunities and economic benefits for businesses, farmers, consumers, and workers in both the United States and Korea through increased market access and new investment. By eliminating high tariffs that limit the ability of U.S. businesses and workers to compete on a fair and level playing field in the Korean market, the agreement will stimulate new demand for U.S. goods and services by South Korean consumers and thus generate new growth and jobs in the United States. Conservative estimates hold that KORUS has the potential to create as many as 70,000 American jobs, a figure that does not capture the full potential for growth of U.S. services exports to South Korea. An updated assessment of the potential economic effects of the agreement prepared in January 2011 by USITC economic staff at the request of the Senate Committee on Finance Subcommittee on Trade estimated that the agreement could generate as many as 280,000 U.S. jobs.

The U.S.-Korea FTA is vital not only for creating new jobs and growth, but also to halt the erosion of U.S. market share and competitiveness as South Korea enters into preferential trade agreements with other major economies. The European Union-Korea FTA went into effect on July 1 of this year, since which time EU exports to South Korea have already increased markedly while U.S. exports to South Korea have declined. Australia and Canada are also negotiating trade agreements with South Korea. Additionally, South Korea is considering launching FTA negotiations with China, as well as a possible trilateral trade agreement with China and Japan. Thankfully, both U.S. and Korean officials plan to implement KORUS before these agreements take effect as there would be significant risk that U.S. workers and businesses will lose additional market share in the world's most economically dynamic region.

Enhancing Regulatory Transparency: South Korea's complex regulatory system and other non-tariff barriers have in the past limited opportunities for U.S. manufacturers and others to compete and succeed in the Korean market. The U.S.-Korea FTA addresses these challenges with strong provisions and protections that open Korea's market, protect U.S. interests, and set the bar higher for future trade pacts. These provisions include expanded market access for U.S. producers in Korea in sectors where they currently face restrictions on investment and on their operations. The agreement will also guarantee transparent and predictable regulatory and rulemaking procedures in Korea, protect and enforce intellectual property rights, enhance investment protections, and help ensure the fair and transparent application of competition policy for all U.S. companies doing business in Korea.

Promoting Liberalization and Regional Trade Leadership: This comprehensive FTA is an important opportunity for the United States to shape the future trade agenda in Asia. It provides the United States a preferential position in the world's twelfth largest economy, improving the ability of U.S. workers, farmers, and companies to compete in Northeast Asia. Uniquely postitioned in the region, Korea will now serve a launching pad for U.S. goods and services. With a sturdy rule of law, enhanced intellectual property considerations, high education rate, and a passionate work force, this strong market democracy will enhance U.S. ties to all of Northeast Asia, in addition to Korea's $1.5 trillion marketplace. KORUS affirms Korea as the only country in Northeast Asia with a U.S. free trade agreement, thus providing exporters an important edge vis-a-vis our global competitors.

Strengthen a Critical Regional Partnership: This agreement reinforces our two countries' important political and security partnership. Korea is a long-standing and close ally of the United States, and one of our strongest allies in advancing global security. The Korean people share our commitment to democracy and to promoting peace and prosperity in the Asia-Pacific region. KORUS influences the balance of power on the Korean Peninsula, and augments Korea-U.S. combined deterrence capabilities.

Korean Ratification: As was faced in both the House and Senate, there exists mild opposition to KORUS in Korea's National Assembly. Largely due to the reformative guidelines the FTA presents for Korean commercial infrastructure, the Democratic Party claims the pact favors the U.S. and should be renegotiated. That said, Korean President Lee Myung-bak has vowed to pass

the agreement by the end of October and it is expected to be signed into law by early November. On October 25, 2011, President Lee sent a letter to every member of the National Assembly urging swift passage of the Agreement in the legislature, in order to meet a January 1, 2012 implementation goal.

Implementation: Before the FTA can formally enter into force, Korea must demonstrate that it is in compliance with all obligations that will take effect on day one. Similarly, the KORUS implementing bill contains all changes to U.S. law requisite to bring the United States into compliance with the agreement. This includes specific tariff revisions and product-specific rules as well as administrative and regulatory changes covering issues such as customs and procurement. An overview of bilateral law adjustments will now take place during scheduled discussions between the two countries and following this, the exchange of formal diplomatic notes will empower the agreement.

While these steps must be expeditiously carried out in order to meet the first-of-the-year deadline, this is only the beginning of a much larger plan that must be executed. The next phase of implementation will require concerted efforts on the part of the U.S. and Korean governments, as well as the business community, to ensure that the goals of this agreement are realized in a systematic fashion. The U.S. Trade Representative is charged with certifying that each partner country complies with both initial and final obligations, as well as actively enforcing U.S. rights under the agreement.

Facilitation: Understanding the many challenges that will arise during this implementation process, the U.S.-Korea Business Council is poised to collaborate with government officials, as well as our Korean colleagues, to discuss and resolve issues that have impeded past agreements. U.S. businesses small and large must have a clear and navigable route to this fertile market and the Chamber is proud to play a leading role in these efforts. Following implementation, a working level dialogue will be established to discuss economic policies that affect both countries and give U.S. companies a voice in the Korean marketplace. Korea wishes to become a regional, if not global, financial hub, and in order to do this, transparency within the market must be increased. Under this new spirit of openness, U.S. businesses will thrive.

Conclusion

Mr. Chairman, Mr. Ranking Member, members of the subcommittee, I greatly appreciate this opportunity to testify on the expanding alliance between the U.S. and Korea. By demonstrating that we are ready and willing to embrace new opportunities in an increasingly competitive global market, we are reinforcing our two countries' economic leadership in the region. As increasingly interdependent nations, KORUS presents a win-win for economic growth and job creation in both countries. The U.S. Chamber and the U.S.-Korea Business Council are firmly committed to working with Congress and the Administration to ensure successful implementation of U.S.-Korea FTA and to advance U.S. interests in Asia and around the world. Thank you very much.

Mr. MANZULLO. Thank you for your testimony.
Mr. Kim?

STATEMENT OF ABRAHAM KIM, PH.D., VICE PRESIDENT, KOREA ECONOMIC INSTITUTE

Mr. KIM. Thank you, Mr. Chairman and Congressman Faleomavaega and honorable members of the subcommittee for this privilege to speak before you today about the future of the U.S.-Korea alliance after the successful state visit of President Lee and the ratification of the U.S.-Korea free trade agreement by the U.S. Congress. This is an important occasion for me on two respects. From a professional standpoint, my organization, the Korea Economic Institute, for the last 30 years has served as an education and policy research institute, has tirelessly worked to promote dialogue and understanding between the U.S. and Korea.

From a personal standpoint, as one of the 1.7 million Korean Americans that live in the United States, it was deeply satisfying to see the ties between Korea and the United States growing stronger and more vibrant. Building up this critical relationship is a win-win situation for both countries and peoples.

As requested by the subcommittee, I would like to focus my statement on three basic issues: What are the political dynamics that are shaping the efforts to ratify KORUS FTA in South Korea. Number two, looking ahead to 2012 in South Korea, how will next year's national assembly elections in April and Presidential elections in December impact U.S.-Korea relations. And finally, what is South Korean political sentiment on North-South Korea relations?

First of all, what is going on in South Korea? Since the U.S. Congress voted on the KORUS FTA, the South Korean National Assembly has geared up to pass it as well. However, the ruling Grand National Party and the liberal opposition have been locked in a political struggle over its passage, causing delay in the ratification process. The Democratic Party, the main liberal opposition party, is obviously concerned about how South Korean workers, farmers, and the small and medium enterprise will be negatively impacted. And also they are unhappy about the renegotiations that took place in December 2010.

Technically, the ruling of the Grand National Party could unilaterally pass the KORUS FTA with their majority. The ruling party leadership, however, faces popular pressure to build a consensus rather than simply ramming through legislation. Furthermore, threats by liberal opposition to use physical force have delayed voting on the agreement.

Although the elections are not until next year, the election politic season has already begun in South Korea and politicians are increasingly sensitized to voters' perception and attitudes. That said, the Grand National Party leadership has announced that it intends to bring the free trade agreement to a vote by October 31st and the general sentiment is that the KORUS FTA will pass despite liberal opposition. For one, the political sentiment in South Korea about the KORUS FTA is majorly positive. According to a South Korean newspaper poll, 55.2 percent are in support, while 28.5 percent are against. Clearly, there's a majority to support this.

Once Seoul ratifies the agreement, the hope is to have this agreement enforced by January 1, 2010.

So how will the KORUS FTA position the U.S. vis-à-vis Europe and China? Well, as Tami already explained, it will level the playing field and already as we know the European Union has already passed a KORUS FTA with South Korea. With the passage of the KORUS FTA and its implementation it will put U.S. companies and European companies on the same foothold. KORUS FTA will also make U.S. companies more competitive, increasingly competitive, excuse me, with Chinese companies, but to have the U.S. regain its top position in South Korea market will be unlikely. China is too far ahead in the South Korean market.

But the greater ramification of this is political. It reinforces the long strategic value and reinforces the strong relationship that our two countries have. KORUS FTA also sets the standard of openness, transparency, and rule of law as the basis of other future U.S. engagement with the region. Finally, and third, it reestablishes U.S. credibility as a regional leader.

Next I turn to how will next year's election impact U.S.-Korea relations? In 2012, the Republic of Korea will have two major elections, the National Assembly election and the Presidential election. Political pundits in South Korea anticipate a major political shift. In the National Assembly they assume that the Democratic Party, the opposition party, will take a majority. In the Presidential election it is yet unclear because it's so far ahead. But despite these changes, the general understanding among most South Koreans is that whoever comes into power a strong relationship with the United States is important for three important reasons. One, South Korea needs the U.S. as a balance against a growing and more diplomatically aggressive China. Number two, North Korea continues to be a grave threat to South Korea and regional security. And North Korea's future with its leadership transition is unclear. And number three, South Korea shares common political and cultural values and have deep people-to-people connections and have common global interests with the United States.

Now I turn to what is the public sentiment in South Korea regarding North-South Korea relations? Well, the general public view about North Korea is very mixed. But in general, they appear to be supportive of a policy based on no unilateral economic assistance unless Pyongyang takes substantive move toward inter-Korean talks and denuclearization. Last year's North Korean attack on the Cheonan and Yeonpyeong Island was a defining moment for many South Koreans. Some have called it South Korea's 9/11. Up to that point South Koreans were aware that North Korea's military threat existed, but never believed the North Koreans would actually attack, and yet last year they did.

Polls illustrate that after the Yeonpyeong Island, almost 70 percent of the respondents supported some kind of limited response. Another poll indicated that up to 80 percent of poll respondents supported that more military action should have taken place. All this said, South Koreans also do not support war on the peninsular. Plus, most South Korean citizens are distrustful of Pyongyang and many anticipate North Korea will cause more provocation as we move into 2012.

Thank you very much for this opportunity. And I'm open for any questions, Chairman.

[The prepared statement of Mr. Kim follows:]

Abraham Kim, Ph.D.
Vice President, Korea Economic Institute

October 26, 2011
Expanding the U.S.-Korea Alliance

Testimony Before
U.S. Congress
House Committee on Foreign Affairs
Subcommittee on Asia and the Pacific

Chairman Donald Manzullo, Representative Faleomavaega, and honorable members of the subcommittee,

It is a great honor to sit on this distinguished panel of speakers to talk about the future of the U.S.-Korea alliance after the successful state visit of President Lee Myung-bak and the ratification of the U.S.-Korea free trade agreement by the U.S. Congress.

This is an important occasion for me on two respects. From a professional standpoint, as the vice president of Korea Economic Institute, we are a thirty year education and policy research institute that has been promoting dialogue and understanding between the U.S. and Korea. President Lee's tremendously successful state visit represents what my organization worked hard to achieve to deepen the bilateral ties of two global partners.

From a personal standpoint, as one of the 1.7 million Korean Americans that live in the United States, it was deeply satisfying to see the ties between Korea and the United States growing stronger and more vibrant. Building up this critical relationship is a win-win situation for both countries and peoples. As Americans, we want the U.S. to continue its global leadership and see this relationship as a vital contributor to America's role in the Asia-Pacific region. With cultural and familial ties to Korea, we see this alliance critical to the security, stability and prosperity of South Korea. The ratification of the KORUS FTA was an important step toward reinforcing this enduring relationship.

As requested by the committee, my presentation today will focus on three sets of issues:

The first area will focus on what still needs to be achieved before the U.S. and South Korea can enjoy the economic benefits of KORUS FTA, now that the U.S. Congress has passed it, and President Obama signed it on October 21. Specifically, what are the political dynamics that are shaping the efforts to ratify the KORUS FTA in Seoul? What is the current public opinion about the KORUS FTA? More broadly, once the

KORUS FTA is passed in both Korea and the US, how does the KORUS FTA position the U.S. vis-a-vis Europe and China?

The second issue is looking ahead at the South Korean elections in 2012 and how next year's elections in Korea will impact U.S.-Korea relations?

The third issue area is focused on North-South Korea relations, particularly: What is the South Korean public sentiment on North and South Korea relations?

Finally, I will conclude with some recommendations on what should be done to take advantage of this period of strong U.S.-Korea relations..

I. What is next, now that the U.S. Congress has ratified the KORUS FTA?

The most immediate step ahead is to complete the ratification process of KORUS FTA on both sides of the Pacific and finally implement this agreement. Despite the fact that the struggle to get the U.S. Congress to ratify KORUS FTA is over, the ability for the two countries to enjoy the benefits of the free trade agreement may still be some distance away. For one, the KORUS FTA ratification process in Korea has become just as polarized as it was in the United States. The ruling Grand National Party (GNP) is attempting to build on the momentum of the U.S. Congress' passage to get it through the National Assembly, but opposition is intense. The outlook for quick passage, however, is hopeful. Below, I highlight the political dynamics within South Korea's legislature to ratify the agreement and the broader public sentiment regarding KORUS FTA.

Political Dynamics in Korea

Since the U.S. Congress voted on the KORUS FTA, the South Korean National Assembly has geared up to pass it as well. However, the ruling majority party and the liberal opposition parties have been locked in a political struggle causing a delay in the ratification process. The Democratic Party, the main liberal opposition, is concerned about how South Korean farmers, workers in various sectors, and small-medium enterprises will be negatively affected. Moreover, they see as problematic the December 2010 renegotiations that added perceived unfair provisions favoring the American auto industry. They are demanding that the government have additional renegotiations with the U.S. to make the agreement fair to South Korea before they can vote on the KORUS FTA. Meanwhile, a smaller and more extreme left party, the Democratic Labor Party, is outright against the entire agreement.

Technically, the ruling Grand National Party could unilaterally pass the KORUS FTA with their majority of 169 out of 299 seats. The ruling party leadership, however, faces popular pressure to build a consensus rather than ramming through

legislation. Plus, the low popularity of the ruling party and threats by the liberal opposition to use physical force have delayed voting on the agreement.

Further complicating the political environment is a tight mayoral by-election on October 26 that many see as a barometer for next year's national elections. Although the national legislative and presidential election do not occur until April 2012 and December 2012, respectively, national election season has already begun in South Korea and politicians are increasingly sensitized to voters' perception and attitudes. The polarization of the KORUS FTA's ratification process has made many in the ruling party skittish about voting on the agreement in such a contentious environment when the electoral stakes are growing.

That said, the GNP leadership has announced that it intends to bring the free trade agreement to a vote by October 31. The general sentiment is that the KORUS FTA will pass despite liberal opposition. For one, public sentiment still favors passing the KORUS FTA despite its problems (see discussion below about public support for KORUS FTA). Second, it is generally believed that despite the open challenge to the agreement, the main opposition will likely allow the passage for the following reasons:

1) The Korea-EU FTA, a free trade agreement similar to KORUS FTA, was passed in the National Assembly and implemented with some but not overwhelming opposition by the liberal parties. Thus, it demonstrates that most liberal members are against the KORUS FTA not because of the agreement's substance, but more to score political points against the ruling Grand National Party as all the parties look ahead to the April 2012 National Assembly elections. The opposition may be putting on "theatrics" to solidify their base and draw support should there be fallout from the KORUS FTA.

2) Furthermore, the previous liberal Roh Moo Hyun administration actually negotiated the KORUS FTA and most liberals supported the agreement when it was negotiated back in 2007.

Current public opinion in South Korea about the U.S.-Korea Free Trade Agreement

The other optimistic trend supporting a sooner rather than later ratification for KORUS FTA is the consistent majority support for the agreement. The chart below highlights a variety of polls taken by different national news and polling agencies.

Table One: Examples of South Korean polls demonstrating consistent majority public support for KORUS FTA

News/Polling Agencies	Date of Poll	Support KORUS FTA	Against KORUS FTA	Margin of Error	Citation
Dong-a Ilbo News Paper	January 13, 2011	55.20%	28.50%		www.koreauspartnership/files/wallach.pdf
ViewsnNews	May 30, 2008	58.60%	29.80%	3.70%	http://www.viewsnnews.com/article/view.jsp?seq=35414
Gallup	April 4, 2007	58.50%	30.60%	3.70%	http://english.chosun.com/site/data/html_dir/2007/04/04/2007040461025.html

Important Overlooked Step – Implementation

An important note that is not discussed about the KORUS FTA is the supplementary laws that make the regulatory and market structure changes for smooth implementation of the agreement. For example, in addition to the FTA approval, South Korea needs to pass 14 additional pieces of legislation to implement the trade agreement. All this suggests the possibility of additional delays and challenges for the two sides to meet the ambitious deadline for the agreement to be enforced by January 1st. The concern is that if Korea's passage of the KORUS FTA is contentious, then the opposition can target the implementation phase to cause more delays. Fortunately, for Korea, the July 1st implementation of the Korea-EU FTA, an agreement similar to the KORUS FTA, actually started the adjustments in the Korean economy.

How does the KORUS FTA position the U.S. vis-a-vis Europe and China in the region?

In this time of global economic uncertainty, the KORUS FTA represents an important source of job creation and will send a strong signal of continued U.S. leadership in the Asia-Pacific region.

As the U.S. economy continues to bear the aftereffects of the global financial and economic crisis of 2008, the KORUS FTA represents an opportunity to help promote U.S. economic growth and job creation. South Korea is a longtime ally and a significant developed market with a per capita income of more than $20,000. It is also the United States' 7th largest export market and the 14th largest economy in the world. The KORUS FTA is expected to boost U.S. exports by $11 billion, increase U.S. GDP by $10-12 billion, and create as many as 70,000 new American jobs. It will provide an economic stimulus when we need it most.

Furthermore, American companies will become more competitive in the South Korean market and level the playing field with other major trading partners like the

European Union. While the approval of the KORUS FTA was stalled, the European Union pushed ahead to establish a free trade agreement with South Korea. As Table 2 illustrates below, once the Korea-EU FTA became implemented, the pace of European imports into Korea grew rapidly. In the first month of the Korea-EU FTA, EU exports to Korea increased by 36.7 percent. This likely came at a cost to U.S. companies that did not have the favorable trade environment. At the same time, Korea continued to expand its free trade agreements by negotiating or exploring agreements with U.S. competitors such as China and Australia. In just over five years, the United States has fallen behind China, the European Union, and Japan in the Korean market (See Table Three).

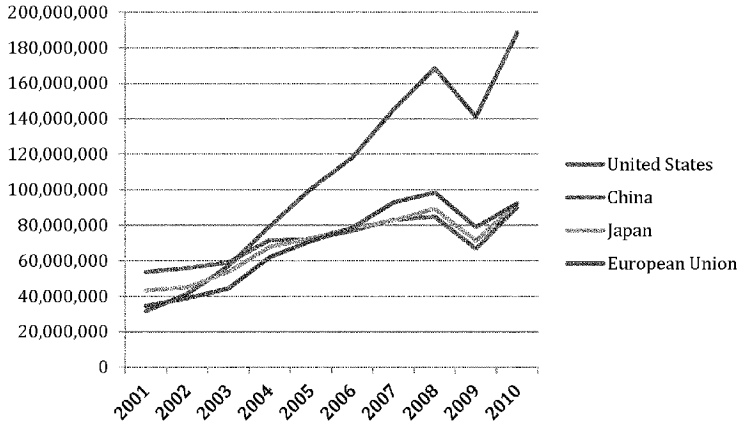
Table Two: Trade Growth Statistics of U.S. and EU Trade with South Korea (3Q/2011; July – September 2011)

Republic of Korea		World		US		EU	
		x$million	Growth %	x$million	Growth %	x$million	Growth %
Exports	July	50772	17.7%	4815	2.8%	5308	-16.7%
	August	45938	25.9%	4330	6.9%	4199	12.0%
	September	46827	18.8%	4798	15.6%	4591	10.0%
	Avg.	47846	21%	4648	8.4%	4699	1.8%
Imports	July	44279	25.0%	3,608	2.9%	4,413	36.7%
	August	45460	28.9%	4,383	33.8%	4,105	17.1%
	September	45270	29.3%	3,587	8.2%	3,826	26.3%
	Avg.	45003	27.7%	3,859	15.0%	4,115	26.7%

Source: Korea Custom Services

The KORUS FTA will also likely make U.S. firms increasingly competitive against Chinese companies, but to have the U.S. regain its top position as the number one trader with South Korea is unlikely. The KORUS FTA may narrow the gap, but trade with China is so far ahead that Korea's giant neighbor will likely remain number one. Please see Table Three below for comparative trade data.

Table Three: Top Four South Korea Trade Partners (2001-2010; $'000)



Source: Korea International Trade Association

Although the KORUS FTA may not propel the U.S. as the number one economic partner in South Korea, the establishment of the KORUS FTA will have enduring political ramifications.

For one, the KORUS FTA has enormous long-term strategic value and will reinforce the two countries' long-standing relationship to be based on an enduring security alliance and a dynamic economic engagement.

Second, the KORUS FTA reestablished U.S. credibility in the region. In this era of economic difficulties and defense budget cutbacks, many were concerned that further delays with the KORUS FTA would cause U.S. regional allies to interpret this as waning commitment and leadership of the U.S. in the Asia-Pacific region. Continued delays would have fueled doubts about American resolve and served to empower regional competitors such as North Korea and China.

II. How will the presidential elections impact the US-Korea relations?

In 2012, South Korea will likely undergo a major political shift as a new president is selected and possibly the current ruling Grand National Party loses its majority hold in the National Assembly. Despite these changes, South Korea's commitment to a strong U.S.-Korea alliance is not likely to change, especially in light of developments

in North Korea, regional power dynamics, and common shared values and vision for the global community.

Outlook for 2012 Election Year

In 2012, the Republic of Korea will hold two major elections – National Assembly elections (April 2012) and the Presidential Elections (December 2012). The expectation is that in 2012, Korea will go through a major leadership change. For the National Assembly, the ruling Grand National Party currently holds the majority with 169 seats out of 299 seats. But, political pundits are suggesting that with the ruling party's public support at a low and general public dissatisfaction with politics, the ruling party will likely lose their majority to the current main opposition party, the Democratic Party. Korean politics watchers point to the crushing loss by the Grand National Party during the April 27, 2011 national by-elections, in which the Democratic Party captured GNP stronghold districts -- a bad omen for the ruling party's effort to hold on to its majority during the upcoming April 2012 elections.

The outcome of the presidential election, on the other hand, is still unclear. Although some political elites have hinted at the likelihood to run, the full scope of all the candidates are still unknown. What is clear is that President Lee Myung-bak will be stepping down because the constitution only allows one five year term president.

Despite Election Changes, Commitment will be Strong

Despite these changes, the general understanding among most South Koreans across the political spectrum is that maintaining a strong relationship with the United States is important. This does not suggest that Koreans will necessarily support U.S. policies, but given the geopolitical situation as well as the common cultural and value ties with the U.S., future Korean leaders will work toward sustaining the bond between the two countries.

1) *South Korea needs the U.S. as a balance against a strengthening China:*
   During the early 2000s, there was a growing fascination among Koreans about China, especially as economic engagement with this neighboring giant grew rapidly. For example, many more students were going to China to learn Chinese while less were traveling to the United States to learn English. But, this fascination of China gradually turned to growing concern as a series of Beijing's actions have become increasingly threatening to South Korea's own interests. For example: 1) Chinese nationalist scholars engaging in historical revisionism to claim cultures and lands that were believed to be Korean to be Chinese; 2) the Chinese-Japanese clashes over the Senkaku/Daiyutai Islands in September 2010 which led to heightened diplomatic tensions and even temporary suspension of rare earth exports to Japan; 3) China's decision to

support North Korea following the sinking of the South Korean corvette, Cheonan, and after the North Korean shelling of Yeongpyong Island. All these events suggest a more diplomatically aggressive Beijing that may not always be supportive of South Korea's own political interests.

That said, with China being South Korea's largest economic partner, South Korea needs a strong U.S. relationship and presence to serve as a counterbalance to China's growing influence in the region. With Japan's own domestic problems, the active presence of the U.S. in the region becomes even more crucial.

2) *North Korea's continuing threat and uncertain leadership future:*

South Korea needs the U.S. to deter an increasingly belligerent North Korea and help manage an uncertain future as North Korea transitions to a new leader. The sinking of the South Korean naval ship, Cheonan, and the Yeongpyong Island shelling made clear to many South Koreans that the North Korea military threat is real. Moreover, with reports that these actions were tied to Kim Jong-eun and succession politics, South Korea is concerned that more provocative acts may follow as Kim Jong-il continues to try to consolidate power around his son.

Furthermore, South Korea sees the U.S. leadership as critical in managing the process to denuclearize North Korea with the other members of the Six Party Talks.

3) *South Korea finds its cultural values, people-to-people connections and global interests congruent:*

South Koreans see its own global interests in line with U.S. values and leadership rather than a country like China. For example, South Korea is the 7th largest exporter and the 10th largest importer (2010) in the world. With so much of the economy tied to trade, South Korea supports the U.S. efforts for greater open trade, transparency, and rule of law.

III. What is the South Korean public sentiment regarding North – South Korea Relations?

The South Korean general public is generally supportive of President Lee Myung-bak's North Korea policy based on providing no unilateral economic assistance unless Pyongyang takes substantive moves toward inter-Korean talks and denuclearization. Last year's North Korean attack on the Cheonan and the Yeongpyeong Island shelling were a defining moment for many South Koreans. Some have called it South Korea's 911. Up to that point, South Koreans were aware of North Korean military threat, but never believed that direct attacks would occur

against South Korean citizens. Many South Koreans were angered that despite Seoul providing their Northern brethren with food, medicine, energy supplies, and economic assistance during the "Sunshine Policy" era under Presidents Kim Dae Jung and Roh Moo Hyun, the North Korean regime would actually target civilian targets as it did during the Yeonpyeong Island shelling.

Polls illustrate the extent of South Korean anger and willingness to support military action against North Korea. According to a November 2010 poll conducted by the Hankook Research for the East Asia Institute, 68.6 percent of respondents supported a limited military response toward the North. Another respected Korean research institute, the Asan Institute for Policy Studies, found similar results following the shelling of Yeonpyeong Island -- 80.3 percent of respondents said the South Korean government and the military should have taken stronger military actions in response to the North's attack on the island. In the event of any future provocations, 40.5 percent favored a limited military response and 25 percent favored strong retaliation with an all-out war mobilization.

Most South Korean citizens seem to remain distrustful of Pyongyang and supportive of President Lee Myung-bak's North Korea policy of reciprocity and toughness. Many anticipate North Korea will cause more provocation as we move into 2012 with the Kim Jong-eun succession, as Pyongyang realizes that its 2012 Great and Prosperous Nation campaign will likely fall short, and a further stalling of reopening North Korea's talks with the U.S. and South Korea.

IV. Conclusion

As a conclusion, I would like to offer up a few areas where our two countries can work together to continue to move U.S.-Korea relations forward. It is important to build upon the accomplishment of the U.S.-Korea state visit and institutionalize the current good personal relations of the two presidents (or create bridges) to ensure more lasting and solid ties that will outlast personalities. Recalling the close friendship between President George W. Bush with Prime Minister Junichiro Koizumi, President Bush's testy relations with President Roh Moo-hyun and how Korea's and Japan's relations with the U.S. have changed since then highlight how quickly goodwill and sentiments can change with new leaders.

The challenge is to take advantage of this moment to actively create new areas of cooperation and deepen existing collaboration to strengthen engagement. The 2009 U.S.-Korea Joint Vision Statement by the two presidents outlined a host of areas for cooperation, ranging from terrorism and piracy, to eradication of poverty, climate change, and dealing with energy security. Some efforts have been made, such as when the U.S. and Korea signed a June 2012 MOU to expand bilateral development cooperation and collaboration in the upcoming International Nuclear Security Summit in Seoul. However, more creative thinking needs to be done in many more areas that have not been

explored in the joint vision statement and even in the sensitive areas of the alliance, such as the future of OPCON transfer and the 123 nuclear agreement expiring in 2014.

Below are recommendations of national and people-to-people areas to explore to sustain momentum in this critical bilateral relationship:

- Use every opportunity to tout successes regarding the FTA,
- Recognize the accomplishments of 2nd generation Korean Americans and nurture their growth and maturity as a national organization that will help both people bridge cultural and political differences in a healthy way.
- Reaffirm periodically OPCON transfer and show confidence that the final arrangement between the two countries and hand-off are mutually beneficial
- Create more people to people exchanges, particularly going from the US to Korea,
- Look for opportunities to enhance trilateral US-Korea-Japan relations,
- Recognize China's rising status and make clear strategic US-Korea interactions with Beijing,
- Negotiate early and mutually agreeable nuclear cooperation (123) agreement and find acceptable solution to the pyro-processing issue,
- Recognize how important leader-to-leader relations are and how much the current improvement in nation-to-nation relations is directly related to the dedication LMB - Bush /Obama made to each other and to dedicate a deliberate transition that emphasizes the importance of the relationship to the next leaders (post 2012).

Thank you.

Mr. MANZULLO. Thank you. We're going to start with Mr. Kelly.

Mr. KELLY. Thank you, Mr. Chairman. And I'd like to thank the panel for being here today. I've been accused of having some type of a personal interest in the KORUS moving forward and I have no problem with that. I'm a Hyundai Kia dealer in addition to serving in Congress. So I would gladly say that I have a personal interest not only me, but the 60,000 Americans that are directly involved with the production in Alabama and Georgia of those two products.

My real concern though, I think, and we face the same challenges together when we look at our two countries, we're much closer than most people realize, both strategically, geopolitically, and especially when it comes to elections or reelections. So it seems to me the discourse is more driven toward be careful what you say and what you do because it may have a bad reflection.

I am very concerned, Mr. Kim. In the Republic, what would be the problems for getting the agreement ratified? And I know that you spoke—right now, there's even threats of violence and some aspects of the agreement. I know that geopolitically it did have and I know in the last elections it had tremendous effects on the outcome of the elections because I think in the Republic they felt, look, we made concessions. President Obama came over. We agreed to do certain things and then went back to the United States and it sat for a long time before it was voted on and we did, just a couple of weeks ago in a bipartisan effort, passed KORUS and President Lee was here and gave one of the best addresses that I have heard from a person coming in from the outside and talking to the Congress.

But for the American people to understand, what would be now the holdup and what are some of the challenges that President Lee faces from the opposition and knowing even that the agreement really was crafted by his predecessor to start off that way. So I'm trying to understand okay, we have an agreement, we've come together. It's gone through the Republic. It's come over to the United States. We've approved it. Now it's going back to Korea. Now what are the challenges that we face right now and if you could just maybe articulate those a little.

Mr. KIM. Sure. Congressman Kelly, the challenge is basically election season has started in South Korea and right now the ruling party is in a very vulnerable position of losing its majority because of low support. And so in order to consolidate the Democratic Party, the opposition, in order to consolidate their base as well as win the support of those who may negatively impact the KORUS FTA in South Korea, the politicians in the opposition parties are making a political stand right before the vote of this, the ratification of this agreement.

And so in many ways this is domestic politics, but in terms of getting the votes to get this ratified, the Grand National Party has the votes to get this through and passed. And so I don't think from our understanding, the general understanding is that the Grand National Party will be able to get this through and they will be able to hopefully get this implemented by the January 1st time line. But it's, as you know, the old saying goes all politics is local and so a lot of folks are concerned about how this will impact next year.

And so a lot of—even Grand National Party members are a little bit skittish or assessing to make sure that this agreement—that they can make a good push and good value effort and sell to the Korean people that this is good for everybody. And so I think this is much more domestic politics than the substance of the agreement. Everyone understands what this is about.

Mr. KELLY. And I understand that. I mean we really share a lot. We have a lot more in common, especially when it comes to politics than most people understand. It really would be nice and I think that both sides all agree on this, if we could quit worrying about reelections and start worrying about getting things fixed it would really help both our countries dramatically. So thanks so much for being here and I apologize. Thank you so much for being here.

I know the effort was a grand effort to get this done. I'm not sure I understand why, but now after being here 9 months it's starting to become a little more clear to me. But thanks so much for your efforts. I think we're moving in the right direction. It's great for both our countries to move forward. So thanks so much.

I yield back, Mr. Chairman.

Mr. MANZULLO. Thank you. Congressman Faleomavaega has deferred to Mr. Chabot so he can ask his questions and then run off to another meeting at noon.

Mr. Chabot?

Mr. CHABOT. I thank the chair and I also thank Mr. Faleomavaega for giving me the time. Ambassador Hill, I've got five questions and I'd like to get five answers. If you could keep them relatively brief, we'll try to get them all in in the 5 minutes I've got.

Number one, in 2008, according to The Washington Post, fresh traces of highly enriched uranium were discovered among the 18,000 pages of documents submitted by North Korea to the United States. Yet, at that time you chose as the U.S. chief negotiator to ignore this evidence on North Korean HEU program and to focus solely on plutonium processing.

In addition, in November last year, visiting American scientist Siegfried Hecker was shown an HEU facility in North Korea that reportedly left him stunned. In retrospect, wasn't your decision not to pursue the HEU topic in negotiations with the North a huge mistake?

Ambassador HILL. Actually, we were concerned about HEU for a number of years when the evidence first started coming in. The question was we didn't know how far they had gotten. The fact was that we know they were producing plutonium and that was a clear and present danger. So the policy became to do something to stop the plutonium, but keep the door open to discuss the uranium enrichment in particular. And the reason all the negotiations broke down in '08 was over the issue of highly enriched uranium because we did get these indications, as you said, trace amounts on documents.

We also got trace amounts on some actual samples that we were able to get back from the North Koreans. So we insisted that we could not accept only access to known facilities. We insisted that we needed access to unknown facilities. The North Koreans

wouldn't give us that access and therefore we actually ended the talks.

Mr. CHABOT. Thank you. I'm going to go ahead and give you all four questions now and you can take whatever time to answer all four because I'll never get through these in 5 minutes.

Last February, in retirement, you published an article stating that "North Korea had lied repeatedly to not only the United States, but also to China, Russian, Japan, and South Korea and that North Korea has no genuine interest whatsoever in fulfilling its nuclear disarmament responsibilities." That's all your quote. Doesn't repeated North Korean duplicity raise questions about the whole negotiating process including the Six-Party Talks? That's the second.

Next question, number three. In a February 2011 article, you stated that North Korea was "a state whose treatment of its own citizens is among the most abysmal in the world." Given you acknowledge that Pyongyang is one of the leading human rights abusers in the world, do you still believe it was the right decision to minimize human rights and religious freedom concerns in your negotiations with the North Koreans?

Next question. According to his memoirs, Vice President Cheney considered the North Korea built reactor in Syria to be such a threat to peace that he urged President Bush to take it out in a military strike. Now we know the Israelis, of course, took that action. The Vice President viewed the engagement policy with North Korea advocated by Secretary of State Rice and yourself as naive and a major foreign policy mistake. How would you respond to Mr. Cheney's concern.

And finally, in October 2008, you succeeded in your advocacy that North Korea be removed from the State Sponsors of Terrorism list, despite the major distress this caused our Japanese ally due to the abduction issue. In exchange, you reportedly received North Korean assurances that they would accept a transparent verification process for denuclearization. You did not, however, according to press reports, receive North Korean assurances in writing to the reported dismay of then Secretary of State Rice. The North Koreans reneged on their assurances to you. By the end of 2008, the Six-Party Talks had fallen apart and they have not reconvened for the past 3 years. Given the results, would you now admit that removing North Korea from the list of State Sponsored Terrorism was both premature and a mistake. And you have 26 seconds to answer all four questions.

Ambassador HILL. Let me do my best.

Mr. MANZULLO. Ambassador, you have as much time as you need.

Ambassador HILL. Thank you very much. First of all, with regard to the issue of North Korean duplicity, you bet, there was North Korean duplicity. But often when you're conducting negotiations, you're doing it for a number of reasons. One of the reasons the United States tried vigorously to conduct these negotiations was to demonstrate to other partners, especially in South Korea that we were prepared to do all we could on a peaceful track through diplomatic track to see if we could make progress. If you looked at polling data in South Korea in 2003, 2004, you could see that the

United States was considered, along with North Korea, considered one of the reasons for the North Korea nuclear problem.

So to see the United States as being held to blame by a substantial percentage of South Korean citizens suggested that we needed a policy that had a stronger diplomatic track. It does not mean that we were naive about the possibilities of getting the North Koreans to give up their nuclear weapons, but we did hope that through a step-by-step process we could make some progress. I believe we did make some progress in terms of shutting down the clear and present danger of plutonium production because they were producing plutonium and then using it in nuclear devices. So I think that was important to continue and I do not believe that was a mistake. And I think it was very important to show the South Koreans our commitment.

Today, we have a situation where the North Koreans are still duplicitous, but the United States is not being held to blame by any substantial number of people in South Korea. We are together with South Korea. We're working together and I think it's a much better environment as a result of our attempting to pursue this.

Secondly, with respect to human rights, I stand by my statement North Korea is one of the most abysmal human rights abusers in the world. And there's no question about that. And any country that has that kind of record is going to have difficulty in achieving normalization with us, for example. And I made very clear to people at the time, in fact, I gave assurances that if we ever got to the point where we were going to go beyond the nuclear negotiations and try to somehow normalize bilateral ties with North Korea that we would address the human rights forthwith with a separate track to deal with human rights. That is, we were not prepared to go ahead and just normalize with North Korea given its human rights track.

Now arguments can be made well, why didn't you make human rights, why didn't you tie it to the nuclear issue. The nuclear issue was a very tough issue to make any progress as some of your questions suggest. You're absolutely right. We didn't feel that adding human rights in the context of the nuclear negotiations would make progress either on human rights or on nuclear and besides, our other partners were opposed to that. So we made very clear to the North Koreans, we raised human rights on a number of occasions with them, on many occasions, and we made very clear that if we got to the point where we were prepared to improve bilateral ties with North Korea that we would have to deal with the human rights issue.

I understand that former Vice President Cheney did not support the issue of the negotiations with North Korea. I was an Assistant Secretary taking instructions from the Secretary of State and the Secretary of State was taking instructions from the President. So Vice President Cheney's views on this, he really should take them up with the President or with the Secretary of State and not with the person who was implementing them which was me.

With respect to the issue of the Syrian nuclear facility, you're quite right. There was apparently a reference in Vice President Cheney's book to him suggesting that he felt we should take out the facility on our own and as I understand from his book, other

people in the situation room, including the President didn't support him. Again, I think this is a matter between former Vice President and the former President to sort out what that argument was about.

Is there something else I haven't addressed? I just want to make sure—oh yes, I'm sorry, the terrorism list. The issue of the terrorism list, the issue of state sponsors of terrorism, it's essentially a list that says if a country is a state sponsor of terrorism, for example, if a country is giving material aid to terrorist groups, that country is ineligible for U.S. assistance, also ineligible for the U.S. to vote affirmatively on World Bank loans and other issues like that. So the first question was from the point of view of the statute, was North Korea eligible to come off of the statute? According to the committee which had nothing to do with me, nothing to do really—it was an inter-agency committee. The assessment was that North Korea was not assisting terrorist groups. There were various reports that North Korea might be helping groups in the Middle East. These assessments were tracked down and it was determined that they were not assisting them.

So then becomes the political question are you prepared to take them off the list if you could feel you could make some political gains elsewhere. And the decision was made over my pay grade. The decision was made that if we could get North Korea to first of all end the plutonium production, blow up the cooling tower, these actions, that we would at least be able to end the plutonium threat. We never accepted verbal assurances or even written assurances on the issue of access to undeclared sites. We needed real assurances on access and we never got them and that's why the negotiations fell apart.

When the negotiations did fall apart, I think everyone understood, the South Korean public, everyone understood it was not for our lack of trying, it was not for our lack of good faith negotiation, the blame was squarely put on the North Koreans and as a consequence, no one has blamed the U.S. and the U.S.-ROK, Republic of Korea alliance is as strong as it has ever been.

Mr. MANZULLO. Thank you, Mr. Ambassador.

Mr. CHABOT. Mr. Chairman, thank you again for your time. If I could just say one final thing, at least this one member's opinion is that U.S. policy toward North Korea, particularly with respect to their nuclear program has been flawed and wanting, not just in this administration, but previous administrations as well, if you look at the results. And I'll yield back. And thank you and the ranking member for your generosity.

Mr. MANZULLO. Before we go to Mr. Faleomavaega, Mr. Kim, you've got your family here?

Mr. KIM. Yes, I do.

Mr. MANZULLO. Do you want to introduce them to us?

Mr. KIM. My wife and my son and my daughter and their two friends are over there in the left corner.

Mr. MANZULLO. Welcome. It's good to have you here. Are your children taking notes? Yes, of course, you bet, you bet.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman, and I do want to again thank the distinguished chairman of the Subcommittee on

the Middle East, a very, very important and dear friend, Chairman Chabot, for raising the questions concerning our hearing this afternoon.

Mr. Chairman, I have so many questions I don't know where to start. I think we sometimes compartmentalize issues and to think that everything is all laid out in a real neat package, Korea is not one of those packages. It is very, very complicated. The times that I've had the privilege of visiting with the leaders and the good people of Korea for all these years, Mr. Chairman, I must say that it's such a difficult situation, the fact that Korea being divided as it is, it wasn't because of the Koreans doing. It was something that because of two more powerful forces caused the division that we now have in North and South Korea. It is very, very unfortunate.

I'd like to raise this question first. You know, several weeks ago we had a hearing here and I'd like to invite our witnesses to think outside the box on this situation, this observation that I've made. We talked about the dangerous situation in North Korea. We talked about the involvement of China, the involvement of Japan, the involvement of the United States.

And when all this dialogue was going on, Mr. Chairman, not one expert witness mentioned anything about South Korea, as if the people, the leaders of South Korea had no say in the process, no input, no sense of appreciation and understanding that by thinking outside the box we need to have South Korea to be just as involved and not just as dependent on so much of what China thinks or what Japan thinks, or what Russia thinks. What about the people of South Korea?

When I raised the issue, it was a little of a surprise from our expert witnesses, oh yeah, yeah, South Korea is important, too. We need to talk about their involvement in the negotiations process.

Chris, you know more than anybody, the years that you've spent in negotiations with North Korea—again, thinking outside the box, North Korea is already a nuclear country. It's a member of the nuclear club, along with the permanent members of the U.N. Security Council, along with Pakistan, India, and Israel. And here, we're telling North Korea, oh, put your nuclear bombs back in the box and pretend like as if they already do not possess eight nuclear weapons, have the capability only 30 miles away with 12 million people living in Seoul, that if there ever is to be a conflict in the Korean Peninsula, it's a lose-lose proposition.

I don't care how you do it, I don't care how much military assistance we give South Korea. The bottom line in my humble opinion, Mr. Chairman, the Korean people will suffer. The Korean people will die and all these negotiations that we talk about and I would like to say to my friend, Chris, I have very serious questions about the relevancy of the Six-Party Talks.

I can understand why China should be involved because China borders North Korea. I understand why we should be involved. I can understand why South Korea should be involved, but I don't understand why Russia and Japan should be involved. It's a beautiful understanding of oh, we have to have a multi-lateral approach to the situation of the Korean Peninsula, but in my humble opinion, I don't understand why the relevancy of having Six-Party

Talks for all these years. And where have we ended up after negotiations? Zero.

Chris, could you care to comment on this?

Ambassador HILL. Well, first of all, I think it was important and it remains important to have all the countries in the region taking ownership of the problem. I do not accept the notion, first of all, that somehow this is just the U.S. problem. I think for that reason it was very important to bring in other countries, especially the Republic of Korea because the peninsula belongs to the Korean people.

And we have a real role there. We have a security commitment. We have troops on the ground there. We have to be involved in that. But I think it was very important to bring other actors, including the South Koreans to the table.

Secondly, I think if you look at Japanese security concerns, clearly some of them emanate from threat in North Korea, so Japan, I think clearly needs to be at the table. I have concerns about whether we have been able to work out precisely the same approaches, but I think generally speaking, the U.S. and Japan have worked well on the issue of North Korea. It's true, there were some differences over the abduction issue as was previously discussed, but I think overall, our relationship with Japan has not suffered from the Six-Party process.

And finally, I think the Russians have some potential leverage with the North Koreans. I think that's also important. And finally, I'd like to say, Mr. Faleomavaega, that I really cannot accept the notion that we need to simply sit back and accept that North Korea is "a nuclear power." I think North Korea's nuclear ambitions are inherently unstable, unstable within North Korea, unstable in the Korean Peninsula, unstable to the neighborhood, and ultimately to the world. I think we have to continue to work on it.

I grant the point you made which is that we haven't solved it. I do believe getting rid of the plutonium capability which is not totally gotten rid of, but that threat is diminished. They have not been in the kind of breakout scenario that we worried about earlier, that some 30 kilos would become 60 or become 160 kilos. So I think we made some progress there, but I accept your point that this has been a really tough one and not enough progress has been made. But I think in diplomacy, as in other endeavors in life, you have to answer the question compared to what? And what else—what other track exists that would get us further on the way?

So I think we have done our best to work with other countries. I think that's a key track and as I suggested in my testimony, I think we really need to press the Chinese to take far more ownership of this problem.

Mr. FALEOMAVAEGA. I guess my time is up, Mr. Chairman. I'll wait for the second round. I have so many other things I wanted to ask, but my time is up. I'll wait. Thank you, Mr. Chairman.

Mr. MANZULLO. Thank you. I have a question for Ms. Overby. Actually, it's a question to Ms. Overby and Mr. Kim.

Ms. Overby, you say in your written testimony that opposition to the free trade agreement in Korea is mild.

Mr. Kim, you say opposition is intense. I realize there's a lot of politics going on here and obviously the ruling party has enough

votes to ratify the agreement, trying to build a consensus, but give me some political scenarios. Is it possible this free trade agreement may not pass in Korea?

Ms. OVERBY. I'll start and then pass it to Abraham. I said mild because I lived in Korea for 21 years and watched Korean politics up close and personal. I was also very actively engaged with the current opposition party, the Democratic Party when they were in power with Roh Moo-hyun and they actually negotiated this agreement. In fact, one of the DP leaders, Chung Won-Kyung was Commerce Minister under President Roh and he and I lobbied in this house, holding hands talking about how good this potential free trade agreement would be for both countries.

So I do find it a bit ironic that he and his party are now staking out the opposite ground. But I do believe as Dr. Kim said, it is very much politics. In fact, when I meet privately with my DP friends, they pat my arm and say, "Oh, Tami, you know it's just Korean politics. At the end of the day, KORUS will pass, don't worry. But we must play our role. We must have our theater." And I believe what they're having and what they're going to have the next few days with the Mayor election and then with the ratification of KORUS is going to be very good theater. But I do believe it will pass. I see no scenario where it does not pass.

Dr. Kim?

Mr. KIM. Sure. When I meant intense, I meant emotionally intense. And you will probably, as Tami mentioned, see this kind of political theatrics appear, because it's very much election politics. People are looking ahead to 2012.

I think as Tami pointed out, the fact that the Democratic Party President actually negotiated the free trade agreement in '07 is one factor that would suggest that the Democratic Party will eventually vote, will allow a vote to occur. And also, the fact that EU-Korea FTA passed. There was some opposition, but it was allowed to be voted on and passed relatively quietly. And if you look at the structure of the two agreements, they're not exactly the same, but they're pretty same. And so the fact that that was passed and implemented suggests that I think the substance of the agreement is probably—there's some opposition by the most extreme politicians, but in general, I think they're willing to swallow, of course, FTA. But I think it's more electoral politics than anything else that we'll be seeing.

Mr. KLINGNER. Yes, sir. And this also gets to Mr. Kelly's question, which is, why is there the opposition? I think three main reasons. One is that many of the members believe it's not in the best interest of their country. And that's fine. And that's why there's a democracy. They should allow a vote on the KORUS FTA instead of occupying the chairman's chair or seizing his gavel in order to prevent an actual vote.

But other reasons, I think, are political. One is that the DP and the DLP want to maintain a left-of-center alliance to lead into next year's elections, so they see that they can garner more votes from the left-of-center voters by being opposed to this agreement. Another factor is that they want to force the GNP to railroad the KORUS through ratification. The GNP has the majority of the

votes as given to them by the populace of South Korea. They can vote and they can use their majority.

And yet, the majority party is afraid of doing that because then they will be accused of acting like the authoritarian regimes of the past. And that actually has resonance with a large part of the populace. So they are very nervous about acting like a majority party.

Also, I think the DP wants to do that, and then they can look like the aggrieved party, that they were the victims of an authoritarian regime. It's very similar to World Cup soccer players who feign injury and with much theatrics fall to the ground, trying to induce a penalty. And one, I think, can't help but wonder if on the left-of-center resistance there's not some strain of anti-Americanism because the KOREU, Korea-EU FTA, was very, very similar, and there were very few protests against it within the National Assembly and out on the streets. And one thinks also back on 2008 and the massive anti-U.S. beef demonstrations and yet, at the time, there were far more serious dangers from Chinese products. There were carcinogenic chemicals in their kimchi, parasitic eggs and other products, Chilean pork had carcinogenic chemicals and yet we didn't see a single protest against them. So I think there was also a strain of anti-Americanism in that resistance. Thank you.

Mr. MANZULLO. Did you say they imported kimchi? Koreans imported Kimchi?

Mr. KLINGNER. Yes, sir. From China. And there have been parasitic eggs in that. There were carcinogenic chemicals in Chinese seafood and some of the Chinese exporters were putting lead in the fish in order to weigh it down so that it would cost more. And also Chinese melamine was also seen as a danger, particularly to infants.

Mr. MANZULLO. Right before lunch. Mr. Kelly.

Mr. KELLY. Thanks, Mr. Chairman. I appreciate that. I think you've answered most of the questions. Dr. Kim, you were talking about these legislation would have to be taken care of before the KORUS could go forward, but the more I listen to the testimony, this is the third time I've said this, we are more alike than we are different and I think sometimes in the world the shape of your eye or the color of your skin makes you think you're different, absolutely not true. We're all the same.

When I look at the political process and what you're going through and the idea that we can somehow paint the other side as the problem and not really address the problems together to get them solved is the key to it. But I've got to tell you, I have a great affection for the Korean people because I know since 1949, 1950, we really have been very close allies and brothers in arms in almost every conflict and in every conflict and we do rely on each other quite a bit for support. So you all being here today and you're expressing it.

I think the message that we need to get across, not only to the Republic, but also to those in the United States that don't understand where it is we're trying to go is that at the end of the day, this is so good for both of us and the upside is such a dramatic upside that we need to get beyond these political battles that we have and as we do face the same problems.

My friend, Tom Kim, is here today. It's so good to see you, Tom. Tom has been so influential and has been so supportive in our backing of this agreement.

So Mr. Chairman, I appreciate the opportunity to be here and also our colleagues on the other side. I think we see the upside of this and we understand it, and the ability to come together and talk about it in an open forum like this is critical. Not only to the United States, but also to the world because we do work better when we work together. Thanks so much. We appreciate you being here and I yield back my time, sir.

Mr. MANZULLO. Mr. Sherman from Sherman Oaks, California.

Mr. SHERMAN. Thank you. I want to thank you for having this hearing in the wake of the U.S.-Korea Free Trade Agreement, or so-called free trade agreement. Needless to say, we would focus on that and it is a shame that we don't we have a single representative of American workers here, but of course, that agreement was never about American workers. It was only about profits for giant corporations on both sides of the Pacific. I'm sure it will achieve that purpose.

Mr. Hill or Ambassador Hill, one of the issues, now that we've signed this agreement, both sides are supposed to enter into discussions as to whether Kaesong and similar facilities in North Korea will be considered part of South Korea for the purposes of the agreement.

Now that would allow goods to come into our country duty free produced some would say by slave labor, in any case certainly not by those who are free to bargain over their own working conditions. Now Appendix 22B, I believe it is, it had a different number, says that before the executive branch can agree to that, there is supposed to be some involvement of the United States Congress. The current administration has issued a statement stating that it would not finalize such agreements without getting an affirmative vote by both Houses of Congress. Is that statement binding on the next administration, legally binding?

Ambassador HILL. Well, first of all, Mr. Sherman, it's great to see you again. You may have missed the fact that I'm no longer in the U.S. Government.

Mr. SHERMAN. I'm asking you as an expert. You were invited because you are an expert.

Ambassador HILL. I would like to defer my answer on this particular issue to some of my colleagues who are closer to it than I am. I think——

Mr. SHERMAN. They're even further from being parts of the administration than you are, but if one of them claims to have expertise on the matter, happy to hear from them.

Mr. KLINGNER. Congressman Sherman, the KORUS does not allow South Korea to declare Kaesong to be part of——

Mr. SHERMAN. No, it calls for serious negotiations between the executive branches of both governments which may—designed in the view of some to lead to that conclusion. The question is whether Congress will have—congressional approval would be necessary.

Mr. KLINGNER. Right. The witnesses, administration officials from this administration and previous administration have testified

including before this committee that it would require the approval, including legislative action by the——

Mr. SHERMAN. Legislative action. Did they ever say in anything legally binding, that it would require the affirmative vote of the majority of both Houses of Congress?

Mr. KLINGNER. I will look for the quote.

Mr. SHERMAN. The answer is no. They deliberately prevented making that statement in anything legally binding. The proponents of the agreement fought tooth and nail and with great success to keep that out of the implementing legislation and you can be sure that within this decade goods from Kaesong will be coming into the United States as the current Ambassador of South Korea to the United States told a rally years before he became Ambassador to the United States. This is an agreement that will put American workers up against North Korean workers in fighting for jobs in the United States market. And I'm sure that if we had had a representative of the American worker here today that point would have been made before I came into the room.

With that, I yield back.

Mr. KLINGNER. Sir, if I could comment? Deputy U.S. Trade Representative Marantis testified in April 2011 that any change to how Kaesong is treated under the agreement would require Congress to pass and the President to sign legislation.

Mr. SHERMAN. Is that legally binding or is that—Mr. Klingner, the point I'm making is that we got a press release instead of binding legislation. The point I'm making is that that statement is not binding on any administration, least of all the next one. And the cleverness of the proponents in giving us a press release instead of a provision in the implementing legislation demonstrates how successful they've been at achieving profits from major corporations and a loss of jobs for the middle class. I yield back all my time.

Mr. MANZULLO. Mr. Klingner, did you want to further answer his question?

Mr. KLINGNER. There's also been questions about the rules of origin in the KORUS FTA and the idea that the rules of origin would allow North Korean products into the United States. That would be in conflict with existing U.S. laws and Executive Orders. For example, Executive Order 13570 declares that the importation into the United States directly or indirectly—indirectly, of course, covering components of any goods, services, or technology from North Korea is prohibited. And that any kind of import of North Korean products or components would require the specific approval by a U.S. Government agency.

Mr. SHERMAN. Mr. Chairman, if I could have some time after the witness speaks?

Mr. KLINGNER. The existing regulations would not be superseded by the KORUS FTA and there's text in the KORUS which specifically identifies that it would not be in conflict with existing rules and regulations.

As for the effectiveness of these rules and regulations, during the past 5 years, the total imports into the United States from North Korea is $8,000 of stamps and during the past 4 years, the imports are virtually zero. So I think the regulations show that they have been quite effective.

Mr. SHERMAN. Mr. Chairman, can I address that?

Mr. MANZULLO. Sure.

Mr. SHERMAN. First of all, the known imports from North Korea are $8,000. We have no idea how many North Korean components are contained in goods that come here from China, South Korea, Britain, or anywhere else. To stand here and say, sit here and say that we have been 100 percent effective on every item other than postage stamps is to misconstrue the practical world.

Second, this committee and its chairwoman and I have introduced legislation to make those sanctions against North Korea statutory. Those efforts have been thwarted by the proponents of this agreement so that all of the Executive Orders you talk about can be waived by this or some other administration and the executive branch has been far less interested in sanctions than has this Congress and far more willing to accommodate multi-national corporations.

But then finally, you claim that we will not be in violation of this agreement when goods partially made in North Korea and partially made in South Korea come into the United States. Yes, our current Executive Order, subject to change by a decision of just one individual, without any congressional input, but our current Executive Orders would block that at the border. That would put us in violation of the agreement and allow South Korea to take back some of the concessions they made, putting enormous economic pressure on the United States to relent. We've been through this already——

Mr. MANZULLO. I'm going to be unrelenting here and go on to Mr. Faleomavaega.

Mr. SHERMAN. I want to thank you for the extra time, Mr. Chairman.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I think Mr. Sherman has made his point and his concerns concerning some of the provisions there in the free trade agreement and I'd like to follow up just for my own better understanding of the specifics. And his concerns, and correct me if I'm wrong, Mr. Klingner, Executive Orders have to have some guidance from the statutory provision that allows or authorizes the President to issue that Executive Order.

My point is that isn't there a provision in the agreement or by law, as you have read earlier, that the Congress has to pass any conditions on anything or products coming out of North Korea. I think we've put it pretty clear that it's not to be allowed to be imported, to come to the United States.

Can you, for the record, can you clarify that a little better?

Mr. KLINGNER. Yes, Annex 22–B points out that for any additional, any outward processing zone to be included, whether it's Kaesong or some other area outside of the borders of South Korea, there would first have to be an agreement by a bilateral committee, U.S.-South Korea committee that couldn't even meet until 1 year after entering the force. If the U.S. team agreed that Kaesong or others should be included, that would require the U.S. team to agree that North Korea's environmental standards, working standards had it made progress on human rights, had it made progress on denuclearization, all of those are requirements. Even if the U.S.

team agreed to that, then it has to be—the executive branch has to receive approval by Congress.

Mr. FALEOMAVAEGA. It still has to come back to Congress for final approval.

Mr. KLINGNER. Yes. And as for Mr. Sherman's point that the U.S. rules, regulations, etcetera could be in conflict, that's not the case because the KORUS FTA cannot override or even be in conflict with current U.S. laws prohibiting the import of North Korean products or components because the KORUS contains text specifically allowing the U.S. to do that.

Article 23.2(b) says nothing in this agreement shall be construed to preclude a party from applying measures that it considers, which is a very low standard, necessary for the protection of its own essential security or the protection of its own essential security.

Article 22.8.4 says no provision of this agreement shall prevent the party from limiting or prohibiting the importation of the good of the nonparty from the territory of the other party. So there's a lot of various——

Mr. FALEOMAVAEGA. Would be correct, while I can appreciate my colleague's concerns about the importation of products that are manufactured from North Korea, there are provisions in the agreement to be absolutely certain that if there are to be changes, it has to come back to the Congress for approval or disapproval?

Mr. KLINGNER. Yes, sir.

Mr. FALEOMAVAEGA. And I just wanted to make sure for the record that we're clear on that. I was listening and trying to sense what his concerns are about as if we're allowing this to be an exception, but from what you've just shared with us, we appreciate your sharing with us that provision of the free trade agreement very clear in my opinion.

I have another question I wanted to raise with our witnesses, Mr. Chairman. As I've said, thinking outside the box, is our number one concern about the nuclear issues in the Korean Peninsula? That always seems to be the number one concern that we have, our Government as well as the governments in the region about North Korea having the capability of possessing or creating nuclear weapons.

Two weeks ago, the President of Kazakhstan invited me to attend a world conference on getting rid of nuclear weapons altogether. Now I'm very concerned simply because I'm probably one of the few Members of Congress who has ever been to Ground Zero where we conducted nuclear tests in our history. I've been to the Marshall Islands where we literally blew up those islands to pieces, leaving several hundred Marshallese people for the rest of their lives subjected to nuclear radiation, where we exploded the first hydrogen bomb. That was 1,300 times more powerful than the bombs that we dropped in Nagasaki and Hiroshima; where we detonated 67 nuclear bombs in the Marshall Islands. That bomb was so devastating which was called the Bravo Shot, the nuclear cloud floated and it ended up with strontium 90 in milk products in Minnesota and Wisconsin.

And so what do we do? We immediately put a stop on our nuclear testing program in the Marshall Islands, and we decided to

send it to Nevada where we conducted an additional 1,000 nuclear detonations, but this time underground thinking that maybe it's safe and well, when in actuality the downwinders until to this day, there's very serious questions about the higher rate of cancer among those people living in southern Utah as well as in other parts of the State of Nevada as a result of our nuclear testing program.

The French, after detonating 17 nuclear bombs in Algeria, they got kicked out of Algeria where the Algerian people were fighting for their independence and where 1 million Algerians lost their lives to fighting against French Colonialism. So President de Gaulle decided to say well, we don't want to test in Paris, can't do that in France, so they come to the South Pacific where they exploded 220 nuclear bombs in the atmosphere, on the surface, under the ocean in French Polynesia. I personally went to Moruroa Atoll where the French conducted these nuclear tests and it was not a very pretty sight in my humble opinion, Mr. Chairman. To this day that island is still contaminated. Thousands of Tahitians were also subjected to nuclear radiation.

The President of Kazakhstan years ago invited me to come to Kazakhstan. This is where the Russians exploded their first nuclear bomb in 1949 and afterwards detonated 450 nuclear bombs in Kazakhstan, subjecting some 1.5 million Kazakhs to nuclear radiation. I say that nuclear proliferation, it comes to this bearing, Mr. Chairman, that I think it has serious implications on the very issue that we're talking about in the Korean Peninsula.

Are we really serious about getting rid of nuclear weapons? I commend the Obama administration for its efforts to lessen the number of nuclear weapons that we now possess, between us and the Russians. It is a fact that the President of Kazakhstan, by his leadership and initiative, decided he didn't want to be a nuclear nation where he could have had the fourth largest number of nuclear bombs in his possession. It could have been a nuclear country overnight if he wanted to, but no, he wanted to dismantle it, thanks to the likes of Senator Lugar, Senator Sam Nunn, and Chris Hill is very familiar with this, where we assisted in getting rid of all the nuclear bombs that the Russians left to the Kazakhs.

The bottom line that I wanted to raise on this issue of nonproliferation, there's a double standard that we have here in telling the rest of the world that you can't have nuclear weapons, but it's okay for certain countries to continue possessing nuclear weapons. Oh yes, we are making every effort to get rid of nuclear weapons altogether, but boy, we're sure doing it pretty slow. And of course, we go back to President Reagan's famous axiom, "trust, but verify." Well, how long are we going to continue doing this with the fact that those who possess nuclear weapons aren't exactly the best examples of how we can really get rid of nuclear weapons altogether.

And I suppose this is also the implications why North Korea wants to have nuclear weapons because of fear that we might have nuclear weapons at its borders in South Korea. Of course, we will never admit or deny or allow to think such is the case, but those are the implications.

And coming out to my point, Mr. Chairman, and I want to ask the witnesses, I think if there's ever a resolution to the situation

of the Korean Peninsula, 30 seconds, Mr. Chairman, I really believe that the people and the leaders of North and South Korea have got to be the ones to find that solution. I don't think it's up to the United States and China and all the other countries to think that they can do it for them. I really believe if they're responsible for President Kim Dae-jung's personal visit to North Korea and trying his sunshine policy. Some say it failed, but the principle was there. And unfortunately, the situation is still under negotiation, I suppose, in that act.

And all I want to say, Mr. Chairman, is that, and I'm sorry that I've gone way beyond my time, the peaceful resolution in the Korean Peninsula has got to be on the minds and in the hearts of the people of both North and South Korea. With that, Mr. Chairman, I yield.

Mr. MANZULLO. We want to thank the witnesses for coming. It has been a very enlightening and wonderful discussion.

Ambassador, did you want to say something, because you had pressed your button there?

Ambassador HILL. Let me just say in response to Mr. Faleomavaega, I think every one in the world, most people in the world share this aspiration for a nuclear-free world. Certainly, we understand the point that those nuclear weapon states also have an obligation and an obligation, NPT, to look for ways that they also build down.

But I just want to make it very clear that the North Koreans have not embarked on this path for some sort of defense purposes. No country in the region, South Korea, Japan, to name the two main countries there, have nuclear arsenals. And for North Korea to develop one is very dangerous and destabilizing in the region and we need to keep focused on the task of getting them to get rid of these weapons. And the way to do that is to work with other countries in the region.

I completely take the point, however, that there is a role in the overall process of negotiating with North Korea between the—in the inter-Korean dialogue. There's a role for South Korea to be working or negotiating with North Korea on a variety of issues. but South Korea is also a very—member in good standing of the Six-Party process, consults very closely with us, consults very closely with the other parties and I think what we all need to do is not allow a situation where the North Koreans can somehow divide and conquer or go shopping for various different configurations of countries that we all need to stand united in the fact that we cannot allow this country that cannot even feed its people to be building nuclear weapons.

Mr. MANZULLO. Mr. Klingner, go ahead.

Mr. KLINGNER. Mr. Faleomavaega, thank you very much for your very expansive and heartfelt thoughts. I'm a Northeast Asia analyst so I tend to remain in my own little box rather than having such an expansive view, but perhaps just to point out, I think, a difference between North Korea's nuclear programs and all of the others you mentioned, is that North Korea vowed it would never pursue nuclear weapons programs, and actually signed four or five documents vowing it would never pursue nuclear weapons programs. And then under the Six-Party Talks, they signed three

agreements that they promised to give up the programs that they had vowed never to pursue in the first place.

So the requests of the United States and its allies are simply to ask Pyongyang to live up to its agreements, to abandon its nuclear arsenal, and that's, I think, a very direct request and that's what we're hoping North Korea will do, although as Ambassador Hill said before, there's not a great deal of optimism that that will be successful, but I think it is still a pursuit that we need to try to achieve with all the efforts that the United States Government can use as well as those of our allies.

Mr. MANZULLO. Thank you very much for the testimony and this subcommittee is adjourned.

[Whereupon, at 12:36 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

Subcommittee on Asia and the Pacific
Donald A. Manzullo (R-IL), Chairman

October 21, 2011

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, Subcommittee on Asia and the Pacific, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at http://www.hcfa.house.gov):**

DATE: Wednesday, October 26, 2011

TIME: 11:00 a.m.

SUBJECT: The Expanding U.S. – Korea Alliance

WITNESSES: The Honorable Chris Hill
Dean, Josef Korbel School of International Studies
University of Denver

Mr. Bruce Klingner
Senior Research Fellow for Northeast Asia
The Heritage Foundation

Ms. Tami Overby
President
U.S. – Korea Business Council

Abraham Kim, Ph.D.
Vice President
Korea Economic Institute

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Asia and the Pacific* HEARING

Day *Wednesday* **Date** *October 26, 2011* **Room** *2172 Rayburn*

Starting Time *11:06 a.m.* **Ending Time** *12:36 p.m.*

Recesses [*0*] (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Chairman Donald Manzullo

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [ ]

Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

"The Expanding U.S.-Korea Alliance"

SUBCOMMITTEE MEMBERS PRESENT:

Donald Manzullo, Eni Faleomavaega, Mike Kelly, Steve Chabot, Brad Sherman

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

1. *Chairman Manzullo - Opening Statement*
2. *Ranking Member Faleomavaega - Opening Statement*
3. *Representative Royce - Question directed at Tami Overby*
4. *Tami Overby - Answer provided in response to Rep. Royce's question*

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:36 p.m.*

Subcommittee Staff Director

Question for the Record
Subcommittee on Asia and the Pacific
"The Expanding U.S.-Korea Alliance"
October 26, 2011
Submitted by Representative Ed Royce

For Ms. Tami Overby
President
U.S.-Korea Business Council

The US-Korea Business Council is active in promoting the Korea-US Free Trade Agreement. Implementation and enforcement, of course, is all important. Once KORUS is approved by the South Korean National Assembly and put into force, what tools will we have to see that South Korea honors its commitments, especially in areas where U.S. companies have experienced difficulty around the world, for example, sanitary requirements, customs and intellectual property protection?

Response to Representative Royce's Question for the Record
Subcommittee on Asia and the Pacific
"The Expanding U.S.-Korea Alliance"
October 26, 2011
Submitted by Tami Overby

I would point them to two things. First, the robust dispute settlement procedures established under KORUS. The Administration has proven its willingness to take action against FTA partners to enforce commitments – see Guatemala labor case. Second, the KORUS establishes 18 committees and working groups where specific concerns can be raised and resolved. This includes the Minister-level Joint Committee, which will meet annually.

USTR can likely provide more details if the Committee requires it.

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