



US-Korea Relations:
Political Change and a Rocket Launch

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US-ROK relations saw several significant events as 2012 ended. President Obama won his reelection against Republican contender Mitt Romney and South Korea had a historic election, with Park Geun-hye of the Saenuri Party being elected as the first female president in the country's (and indeed East Asia's) history. Sandwiched between these elections, North Korea conducted a successful rocket launch, putting an object into orbit for the first time and marking a major milestone in its decades-long effort to develop an intercontinental ballistic missile capability. Meanwhile, the US and ROK successfully concluded an agreement extending South Korean missile ranges, but remained deadlocked on the revision of a bilateral agreement on civilian nuclear energy.

North Korea's successful rocket launch

The most significant event of the past four months was North Korea's dramatic rocket launch. In the face of international warnings, the country fired the long-range *Unha-3* rocket on Dec. 12, surprising many analysts as the launch came just two days after state media announced the extension of the initial launch window (Dec. 10-22) until Dec. 29. The three-stage rocket, fired from a Dongchang-ri launch site located in the western coastal region of the country, stayed on its intended trajectory with the first stage of the rocket falling in the Yellow Sea near the Korean Peninsula and the second stage in waters east of the Philippines. This was the country's second rocket launch since Kim Jong Un took power following the death of his father Kim Jong Il last year and, in retrospect, made clear North Korean confidence that the failed test in April was due to a technical glitch rather than a major design flaw. The counterfactual proposition is that a second failure within one year would have been disastrous for the young leader, and therefore, they must have had a great deal of confidence in the reliability of their technology.

Many North Korea-watchers had confidently predicted that Pyongyang, after the failed April test, would not test again in the calendar year as an "olive branch" to the next governments in Seoul and Washington. Then, when the North announced the intention to launch, many analysts believed Pyongyang would hold off their fireworks until after the ROK presidential elections. Wrong again! In the past, North Korean provocations have been dictated by two factors: 1) scientific needs (i.e., in the December launch, the need to demonstrate the correction for the earlier failure in April) and 2) coercive bargaining dynamics (i.e., to force a crisis de-escalation negotiation with the US). Since the death of Kim Jong Il, the third variable has been a powerful domestic legitimacy dynamic to prove the mettle of a new untested leadership with significant and successful advances. (For more detail on this domestic legitimacy argument, read Victor

Cha's *Foreign Affairs* article "Next of Kim" published on Dec. 19, 2012.) The *Unha-3* launch was like streetcars – if not on Dec. 12, an act like it would have come along sooner or later. While we did not predict the date of the launch, we were convinced that another provocation was to follow the April 2012 test in short order to bolster Kim Jong Un's credentials as a leader, contrary to what many other analysts believed. After all, 2012 marks the 100th anniversary of the birth of Kim Il Sung, and the timing of the launch coincided with the one-year anniversary of Kim Jong Il's death. Doubters of this view need only look at Kim Jong Un's 2013 New Year's speech in which an entire paragraph is devoted to the satellite launch:

Our reliable scientists and technicians successfully launched the artificial earth satellite Kwangmyongsong 3-2, carrying out the instruction of the General with credit and fully demonstrating the high level of space science and technology and overall national power of Juche Korea. That we successfully manufactured and launched the scientific and technological satellite by entirely relying on our own efforts, technology and wisdom was an event of national jubilation that raised the dignity and honor of the Sun's nation onto the highest level and a great event which inspired all the service personnel and people with confidence in sure victory and courage and clearly showed that Korea does what it is determined to do.

Now, rumors circulate that another act by the North is in the offing. Some predict a nuclear test as early as January 2013 based on Korean press reports. This, too, would not surprise us. An ongoing study at CSIS finds that North Korea predictably conducts some type of provocation in the weeks following the inauguration of the South Korean president. Take this seriously.

What should not be discounted was the success of the launch. The test saw the successful separation of the three stages of the rocket and, more importantly, the rocket putting a payload into orbit. This signifies that North Korea, after four failed ballistic missile tests since 1998, has overcome a major hurdle in its pursuit to develop long-range ballistic missile capability. With this successful launch, the country joined only China and Russia as non-allied countries that could potentially reach the US with an intercontinental ballistic missile. Based on the recent analysis of the salvaged rocket debris, South Korea's Ministry of National Defense concluded the North Korea's ballistic missile can deliver a 500 to 600 kg warhead over a distance more than 10,000 km (6,200 miles), a range that means a payload that size could reach the West Coast of the US. This is a serious national security threat. Some experts say it is still five years before the North can overcome other technical hurdles, which may be true. But the fact of the matter is that there is nothing today stopping them from doing this as the missile program has been developing unimpeded for decades. Five years comes pretty quickly.

Pyongyang has consistently denied its rocket launch was intended for military purposes, but South Korean military officials confirmed the international community's suspicion with its recent conclusion that the launch was aimed at developing missile technology rather than a space rocket. The conclusion was based on initial findings from an analysis of the material retrieved from the *Unha-3* rocket that the North used red fuming nitric acid as an "oxidizer" for the first-stage propellant, a material that is highly toxic and usually used in missiles, according to the officials. There is little doubt that North Korea is following the path taken by China and the Soviet Union, developing its rocket program for the purpose of the military application despite

rhetoric to the contrary. It was only after successful development of the military application that the Soviets and Chinese pursued the civilian application. Meanwhile, claims were made about missile cooperation between Iran and North Korea. During a press briefing, South Korean officials stated that they found North Korea's oxidizer container had similarities to the one produced by Iran. Speculation was further fueled by new reports that Iran sent military scientists to North Korea to provide technical support and that they were observing the launch at the site. Both Iran and North Korea quickly rejected such claims, with the latter predictably asserting that its rocket was "indigenously produced, 100 percent."

Pyongyang's rocket launch in defiance of the UN Security Council (UNSC) resolutions prompted a flurry of meetings and phone calls among countries in the region to discuss their response, while rebuking North Korea's provocation. Despite wide international condemnation, by the end of the year there were no concrete actions from the UNSC due to Chinese opposition. Officials are hopeful for some progress in New York in the new year. This is an imminent challenge facing the second Obama administration and incoming Park Geun-hye administration.

New missile guidelines

There was an important agreement reached between the US and South Korea on missile guidelines in October. Starting from 2011, the nearly two-year negotiation aimed to revise a 2001 agreement under which South Korea was barred from deploying ballistic missiles with a range of more than 300 km (186 miles) and a payload of more than 500 kg (1,100 pounds). The new guidelines allow South Korea to extend its maximum range to 800 km (500 miles), enough to reach any target in North Korea even from southern parts of the country. The new guidelines also gave greater flexibility in the use of the payload. While South Korea agreed to limit the payload to 500 kg for ballistic missiles with an 800 km range, the country is now able to use heavier payloads (up to two tons) for missiles with shorter ranges. Under the new guidelines, South Korea will also be able to deploy drones carrying up to 2.5 tons of reconnaissance equipment and weapons.

ROK interest in developing extended-range missiles stemmed in no small part from a desire to enhance defense and deterrence capabilities in the face of recent North Korean provocations. A key US strategic concern was the potential for a regional arms race. It was also an open question whether longer-range missiles would actually enhance deterrence without South Korea acquiring other requisite supporting and intelligence capabilities. The US was worried about the worst of two worlds with granting a missile range extension – it would not increase response time to a North Korean provocation (thus not enhancing deterrence), but it would heighten tensions on the peninsula and in the region. China was predictably opposed to any revision; Japan also expressed reservations. During the low points in the negotiations, the ROK pseudo-threatened that they would unilaterally develop missiles of their desired ranges once the old agreement expired, to which the US pseudo-threatened that they would openly oppose their ally. In the end, this largely became a White House-Blue House negotiation in which President Lee personally appealed the revision issue to President Obama on several occasions in a way that was effective.

123 Still in Deadlock

Unlike the missile deal, the US and South Korea remain deadlocked in a high-stakes civil nuclear cooperation agreement negotiation that is aimed at revising the old agreement before it expires in March 2014. At the center of contention is the South Korean desire for the US to grant advance, long-term consent for the ROK to reprocess US-origin nuclear material on the back end of the fuel cycle and to enrich its own fuel on the front end. ROK proposals rest on the need to assure itself and its global customers fuel supply for its reactors, and the need for an alternative method to deal with nuclear waste. Seoul insists that a new method, known as pyroprocessing, would offer a solution to the waste problem. Washington has only agreed to a joint 10-year study of the technology, but doubts the technology's market feasibility and nonproliferation safety. Negotiations for the US have been managed by the nonproliferation bureaus, which has made Washington reluctant to accede to its ally's demand. Moreover, North Korea and its nuclear program add another complication to what is already a difficult negotiation. Given the 1992 Joint Declaration reached between the North and South Korea where both countries pledged not to pursue nuclear reprocessing and enrichment capability, Washington considers allowing South Korea access to reprocessing and enrichment capability would make its negotiation with North Korea to denuclearize even more challenging.

Two years of slow-paced talks are now gaining a sense of urgency. Given the highly complex nature of these negotiations, the two governments must reach some form of agreement in 2013 to ensure necessary procedures and legislative approvals can be put in place by the 2014 expiration of the original agreement. The 123 agreement is likely to become one of the first issues, along with the North Korea issue, that will be discussed between the second Obama administration and the new ROK government. Whether the election of Park Geun-hye will bring about change in South Korea's negotiation position is unclear. But a failure to reach agreement would have a major impact on both South Korean and US nuclear industries. Not only is the ROK dependent on US nuclear material for its emerging role as a global supplier, but US reactors are built with indispensable Korean components. An inability to reach an agreement would also be a major blow to the alliance as it could have a political impact on the overall relationship, particularly if Koreans take offense at what they perceive as unequal treatment among US allies. This, in turn, could potentially have a degrading impact on the US "pivot strategy" in Asia.

Elections and the future US-ROK alliance

2012 was the first time since the 1992 that the US and South Korean presidential elections were held in the same year. This situation created interest in both countries about the implications for US-ROK relations. Many US government officials publicly expressed confidence in continuation of robust US-ROK relations, regardless of the election results in both countries. Behind the scenes, there was unspoken nervousness in the diplomatic and policy communities about US-ROK relations backsliding should a progressive government return to power in Seoul. As a result, it was an open secret that many alliance managers gave a quiet sigh of relief when Park Geun-hye was elected in South Korea.

Yet, the prospect of US-ROK bilateral relations under Obama-Park administrations is far from certain. Although President Obama during his phone call to congratulate Park expressed the

desire to continue close cooperation with Seoul, there are a number of thorny issues pending between the two countries, including the defense burden-sharing issue. Faced with pending military budget cuts, Washington will be pressing Seoul in negotiations in 2013 to increase its contributions to the alliance. Another time-sensitive issue is the revision of a bilateral civil nuclear agreement that is set to expire in March 2014. While they remain deadlocked in their negotiations, the government transition process in both countries does not leave much time for the new administrations to bridge their differences and reach a deal by mid-summer of 2013. In the US, the prospect for submission of the agreement to Congress before the summer of 2013 looks bleak. Implementation of the KORUS free trade agreement also remains an agenda item and the US is likely to encourage Korea to consider seriously membership in Trans-Pacific Partnership in the coming year. For Park, she must balance her desires for more outreach to North Korea, where she has called for unconditional humanitarian assistance, with US desires to punish Pyongyang for its missile tests. She must also weigh carefully her approach to China – a country she feels very comfortable with (Park speaks Chinese) – with maintaining strong alliance ties. The US “pivot” complicates Seoul’s relations with Beijing because of Chinese paranoia associated with any bolstering of US-ROK military alliance relations. An early summit would be helpful in setting the direction on most of these policies, but this is not likely to happen until both sides have instituted their Cabinets by early spring of 2013.

Chronology of US-South Korea Relations* **September – December 2012**

Sept. 4, 2012: President Barack Obama announces that if he is reelected, he will continue to confront North Korea unless it abandons its nuclear program.

Sept. 9, 2012: Secretary of State Hillary Clinton meets President Lee Myung-bak on the sidelines of the Asia-Pacific Economic Cooperation (APEC) forum in Vladivostok. She urges South Korea and Japan to find a calmer approach toward Dokdo/Takeshima and stresses the need for cooperation among South Korea, US, and Japan in resolving North Korea’s nuclear issues.

Sept.13, 2012: South Korea officially condemns the attack on the US Consulate in Benghazi, Libya, and the killing of U.S. Ambassador Christopher Stevens and his colleagues.

Sept. 18-20, 2012: Lim Sung-nam, South Korea’s chief negotiator to the Six-Party Talks, visits Washington and meets Special Representative for North Korea Policy Glyn Davies and Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell to share evaluations of the situation on the Korean Peninsula.

Sept. 22-26, 2012: Robert King, US special envoy for North Korean human rights issues, visits Seoul to discuss the latest human rights situation in North Korea.

Sept. 25, 2012: South Korea’s Cabinet approves a revised bill to extend missions of troops in Afghanistan until the end of 2013.

* Chronology compiled by Daye Lee Shim and Esther Chung

Sept. 28, 2012: Secretary Clinton meets her South Korean and Japanese counterparts in New York and asks the two nations to lower tensions in Northeast Asia, while reiterating that Washington will not intervene directly in bilateral issues between Seoul and Tokyo.

Oct. 2, 2012: Acting Under Secretary for Arms Control and International Security Rose Gottemoeller calls for North Korea to join the Chemical Weapons Convention (CWC).

Oct. 4, 2012: President Lee Myung-bak seeks parliamentary support for his drive to reform South Korea's armed forces, stressing that time is running short as the country is scheduled to assume wartime operational control over its forces from the US in 2015.

Oct. 5, 2012: US government official states that the Congress is expected to approve the proposed sale of *Global Hawk* unmanned aerial vehicles to South Korea as a means of preparing the country to retake wartime operational control of its troops from the United States by 2015.

Oct. 6, 2012: US military official states that the US is planning to redeploy a chemical unit to South Korea to strengthen the combined deterrence against North Korea, nine years after the withdrawal of the 23rd Chemical Battalion from South Korea in 2004.

Oct. 7, 2012: Blue House announces a new missile agreement with the US. White House Press Secretary Jay Carney reiterates that the missile deal is designed to improve ROK's ability to defend specifically against DPRK ballistic missiles and the impact of revisions is thus limited.

Oct. 9, 2012: In response to North Korea's warning that its missile range can reach the US mainland, State Department spokeswoman Victoria Nuland urges North Korea to stop bragging about its missiles and defends Washington's decision to allow Seoul to extend its missile range.

Oct. 16, 2012: Vice Foreign Minister Ahn Ho-young and Deputy Secretary of State William Burns co-host the US-ROK Strategic Dialogue in Seoul.

Oct. 16-18, 2012: US-Japan-ROK trilateral meeting is held in Tokyo.

Oct. 17, 2012: ROK Ambassador to the US Young-jin Choi states during an annual parliamentary audit session that the civil nuclear cooperation agreement will become the priority issue to be discussed between new governments in the US and ROK in 2013.

Oct. 18-20, 2012: Special Representative Davies travels to Seoul and meets counterpart Lim Sung-nam, National Security Advisor Chun Yung-woo, and other senior officials.

Oct. 19, 2012: National Security Advisor Chun Young-woo says that South Korea should think about alternative plans if the civil nuclear cooperation agreement is not revised as it wants.

Oct. 23, 2012: US Joint Chiefs of Staff Chairman General Martin Dempsey and ROK Joint Chiefs of Staff Chairman General Jung Seung-jo attend the 36th US-ROK Military Committee

Meeting and reaffirm their commitment to not tolerate any aggression from North Korea and to further strengthen the Alliance's deterrent capabilities.

Oct. 24, 2012: Secretary of Defense Leon Panetta and Minister of Defense Kim Kwan-jin attend the 44th US-ROK Security Consultative Meeting in Washington and agree to pursue more active bilateral security consultation centered on the Korea-US Integrated Defense Dialogue (KIDD). They also decide to identify specific types of nuclear threats by North Korea and develop joint deterrence strategies designed for each threat type by 2014.

Oct. 26, 2012: Assistant Secretary of State Campbell discusses the North Korean nuclear program in Seoul, emphasizing that the US-ROK alliance will remain strong regardless of the presidential election results in Washington and Seoul.

Oct. 27, 2012: Special Representative Davies says that regardless of the winner in the US presidential election, there will be no major changes in US policy toward North Korea.

Nov. 1, 2012: Foreign Minister Kim Sung-Hwan tells media that China will be an important partner in maintaining peace and security on the Korean Peninsula, explaining the need for Seoul-Washington-Beijing trilateral talks in the near future.

Nov. 5, 2012: ROK military officials acknowledge that the US-made cruise missiles that ROK was planning to acquire might be partially incompatible with the *F-15K*.

Nov. 6, 2012: President Obama wins reelection in the US presidential elections.

Nov. 7, 2012: US Ambassador Sung Kim expresses confidence in the continued stability of the US-ROK alliance, regardless of the outcomes of presidential elections in the US and ROK.

Nov. 8, 2012: Korea Trade-Investment Promotion Agency (KOTRA) reports that with President Obama's reelection, Korean exporters are likely to face higher trade barriers.

Nov. 8, 2012: ROK presidential candidate Park Geun-hye says that if elected in December, she would pursue "balanced diplomacy" between the US and China.

Nov. 12, 2012: Department of State spokeswoman Nuland tells *Yonhap* that the Kim Jong Un regime has a clear choice between having improved relations with the US and continued isolation from the international community.

Nov. 13, 2012: Chairman of the Joint Chiefs of Staff Gen. Dempsey travels to Seoul and visits the Demilitarized Zone (DMZ).

Nov. 14, 2012: ROK government returns remains of two US soldiers killed during the Korean War as the Ministry of Defense completes an eight-month excavation for Korean War remains.

Nov. 16, 2012: US Ambassador Sung Kim states that the US and ROK are ready to resume talks with DPRK, but only if DPRK displays a sincere commitment to dialogue.

Nov. 29, 2012: *Yonhap* reports that a US delegation made a secret visit to DPRK in August in an attempt to prevent it from taking provocative actions before the US presidential elections.

Nov. 30, 2012: White House Press Secretary Jay Carney dismisses the US secret trip to Pyongyang, saying that it is even “news” to him.

Dec. 1, 2012: DPRK announces its plan to launch a satellite between Dec. 10 and Dec. 22. Department of State spokeswoman Nuland calls the launch a “highly provocative act” and urges DPRK not to proceed with the launch.

Dec. 4, 2012: Incoming Chairman of the US House Committee on Foreign Relations Ed Royce (R-CA) highlights DPRK’s planned rocket launch as a “wake-up call” for the US and a threat to peace and security in Northeast Asia.

Dec. 5, 2012: Department of State deputy spokesman Mark Toner announces that the US government will continue with diplomatic push to dissuade DPRK from carrying out the rocket launch, but also states that sanctions will be taken into consideration in case of a launch.

Dec. 6, 2012: Combined Forces Command announces that it has raised its alert level by one notch in response to DPRK’s threat to launch a long-range rocket. US Navy ships move into the region of the Korean Peninsula to closely monitor Pyongyang’s potential rocket launch.

Dec. 7, 2012: US extends Iran sanctions exemptions to nine countries including ROK, China, India, and Turkey for reducing purchases of Iranian oil over the past six months.

Dec. 8, 2012: ROK Minister of Knowledge and Economy Hong Suk-woo announces that the US and ROK have agreed to increase cooperation on shale gas.

Dec. 10, 2012: DPRK announces that it will extend the planned rocket launch window by one week to Dec. 29 due to a technical problem with the rocket’s first-stage control engine module.

Dec. 12, 2012: DPRK launches its *Unha-3* rocket. The UN Security Council condemns the launch and convenes a meeting to discuss the appropriate measures in response to the launch.

Dec. 13, 2012: North American Aerospace Defense Command (NORAD) states the DPRK satellite is circling the earth with a speed of 7.6 kilometers per second.

Dec. 14, 2012: South Korean Navy rescue ship retrieves the North Korean rocket debris.

Dec. 16, 2012: Kim Jong Un leads memorial service for Kim Jong Il, marking the first anniversary of his father’s death.

Dec. 17, 2012: US Department of State announces that it will implement tougher sanctions on North Korea. It also adds that it will continue to engage the regime through bilateral and multilateral dialogues and interactions.

Dec. 18, 2012: US pressures China to endorse UN sanctions on North Korea in response to its rocket launch. China has not shown any signs of complying.

Dec. 19, 2012: Park Geun-hye wins the South Korean presidential elections.

Dec. 21, 2012: President-elect Park and President Obama hold a phone conversation and agree to lessen the security crisis in the region that resulted from the North Korean rocket launch.

Dec. 21, 2012: *Chosun Ilbo* reports that Kim Jong Un at a banquet celebration for the recent rocket launch orders scientists in North Korea to build more powerful rockets.

Dec. 24, 2012: UN Security Council decision in response to the DPRK rocket launch is delayed due to China's implicit opposition to tougher sanctions against North Korea.

Dec. 27, 2012: *Yonhap* reports that the incoming Park administration will not differ much in its foreign policy than that of the Lee administration, as both administrations see the US-ROK alliance as the center of South Korea's relations with other nations.

Dec. 28, 2012: Foreign Minister Kim Sung-hwan visits a US base at the DMZ and states that the US-ROK alliance will be "far outlasting" regardless of leadership change in South Korea.