



December 10, 2019

U.S.-South Korea Alliance: Issues for Congress

Overview of Alliance

South Korea (officially the Republic of Korea, or ROK) is considered one of the United States' most important strategic and economic partners in Asia. The U.S.-ROK Mutual Defense Treaty, signed in 1953 at the end of the Korean War, commits the United States to help South Korea defend itself, particularly from North Korea (officially the Democratic People's Republic of Korea, or DPRK). South Korean troops have fought in U.S.-led conflicts, including in Vietnam, Iraq, and Afghanistan. The United States includes South Korea under its "nuclear umbrella," otherwise known as extended deterrence.

The U.S. military has maintained a large troop presence in South Korea since the end of the Korean War. Currently, approximately 28,500 U.S. troops are based in the ROK, predominately Army personnel. Camp Humphreys, which will host most of the troops when completed, is the largest U.S. overseas military base in the world.

The U.S.-ROK alliance is strained on several fronts. President Trump's periodic references to bringing U.S. troops home from the Peninsula and his criticism of the value of alliances more broadly have raised questions in Seoul about U.S. security commitments. Contentious burden-sharing negotiations face a December 31, 2019, deadline, just as North Korea threatens to return to provocations. South Korean President Moon Jae-in wants to complete the long-delayed process to transfer operational control of ROK forces in wartime to a South Korean general, which could lead to disagreements about the timing and conditions for the transition. In addition, growing differences in approach to dealing with North Korea and China could put increased pressure on the alliance.

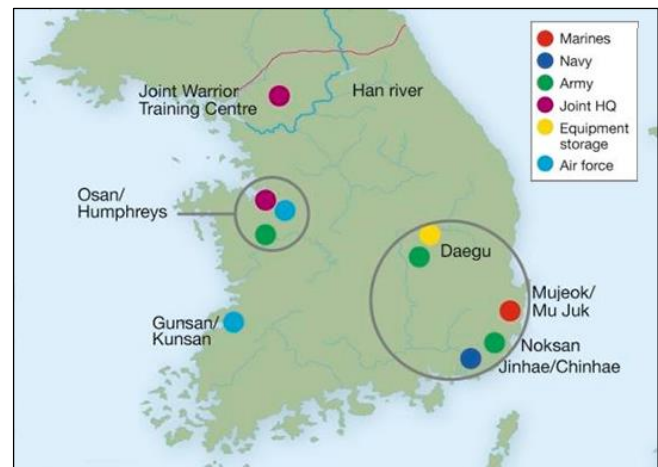
The Alliance and DPRK Policy

The threat from North Korea has framed the alliance since its formation. For years, the two militaries conducted regular bilateral exercises, enhancing their capability as a joint force in the event of the resumption of hostilities with the North. Under President Moon and President Trump both governments have pursued diplomacy with Pyongyang and the alliance has adjusted its activities. For example, at a summit with North Korean Leader Kim Jong-un in Singapore in June 2018, President Trump called for a cancellation of large-scale military exercises, declaring them "very expensive" and "provocative." With the resumption of smaller, less public exercises in 2019, U.S. military officials assert that the alliance has maintained readiness, but some analysts warn that the reduction in joint exercises could damage alliance cohesion.

In 2018, South Korea and North Korea signed a tension-reduction agreement known as the Comprehensive Military

Agreement (CMA). The CMA establishes land, sea, and air buffer zones in the heavily armed Demilitarized Zone (DMZ) that separates the two Koreas and around the maritime border, called the Northern Limit Line. Implementation of the CMA required U.S. military officials to modify practices in the DMZ, including removing land mines and guard posts. While observers point to a marked reduction of tension in the DMZ, some critics maintain that the CMA-mandated changes reduced alliance readiness with little sacrifice in return from North Korea.

Figure 1. U.S. Forces Korea (USFK) Bases



Source: Jane's Sentinel Security Assessment - China and Northeast Asia, date posted April 15, 2010.

Burden-Sharing Negotiations

Negotiations in late 2019 revealed sharp differences between Washington and Seoul on how much South Korea should contribute to offset U.S. costs to station troops on the peninsula. These negotiations on cost-sharing arrangements—known as the "Special Measures Agreement" or SMA—generally occur every five years. The current talks aim to renew the accord signed in February 2019 that raised South Korea's previous annual contribution by approximately 8%. Press reports indicate that the Trump Administration now is asking South Korea to increase its contribution by roughly 400%.

In the past, South Korea generally paid for 40-50% (over \$800 million annually) of the total non-personnel costs of maintaining the U.S. troop presence in South Korea. ROK payments—a combination of in-kind and cash contributions—fell into three categories: labor (salaries for the Koreans who work on U.S. bases); logistics; and construction (by ROK firms for U.S. facilities). In the current talks, the U.S. side added a new category of "readiness" that captures a variety of other costs. South Korea has balked at the U.S. figure and many observers

predict that Seoul will allow the current SMA to expire on December 31, 2019, rather than meet the U.S. request. The SMA must be approved by the ROK National Assembly, increasing political pressure on the ROK government.

South Korean officials point to Seoul's contributions to the alliance beyond the SMA agreement. Military expenditures account for 2.6% of its GDP, the largest percentage among all U.S. allies. The ROK government is paying \$9.7 billion, or about 90% of the total cost of constructing Camp Humphreys, and is a top buyer of U.S. defense systems.

The South Korean press has aggressively covered the SMA negotiations and the ROK public is aware of the U.S. position. Although opinion polls have indicated enduring support for the U.S. alliance among South Koreans, recent surveys have revealed limitations: in a November 2019 poll, nearly 70% of South Koreans opposed paying more to the United States even if it resulted in a reduction in U.S. troops. A drop in public support for the U.S. troop presence could undercut the political viability of the alliance.

Operational Control (OPCON)

Another focus for the alliance is an agreement to transfer wartime operational control to the South Korean military. Under the existing arrangement, South Korean soldiers would be under U.S. command in the event of war on the peninsula. In peacetime, the ROK military is responsible for national security. The plan to transfer OPCON, begun in 2007 and twice delayed, recognizes the ROK's advances in economic and military strength since the Korean War and is seen by many Koreans as important for ROK sovereignty.

President Moon aims to complete the process before his term expires in May 2022. The two sides established conditions and benchmarks to demonstrate that the ROK can assume wartime OPCON, including improved ROK capabilities to lead combined forces and counter the DPRK nuclear and missile threat, and a security environment on the Peninsula conducive to a transfer. Significant progress has been made on some, but some areas remain slower to follow. Some also point to the challenge of imposing a political deadline on a complex process of technically assessing capabilities and gauging security conditions.

Regional Implications

The U.S.-ROK alliance is part of the post-World War II "hub and spoke" system of U.S. security relationships in the Asia-Pacific. Although labeled a "lynchpin" of U.S. presence in the region by U.S. officials, the U.S.-ROK alliance has focused most heavily on the defense of the peninsula itself from North Korean threats.

The United States has urged greater coordination with other U.S. partners, particularly Japan, in confronting DPRK threats and countering China's military rise. Trilateral cooperation has been challenging because of poor relations between Tokyo and Seoul. Although South Korea reversed its plan to withdraw from a military information sharing agreement with Japan in November 2019, tensions in the relationship remain. A rift in the U.S.-ROK alliance would further impede effective trilateral security cooperation.

A large-scale reduction or full withdrawal of the troops stationed in South Korea would reshape the U.S. military presence in the region, leaving Japan alone as the major host of U.S. forces in the region. China and Russia would likely appreciate a reduction in U.S. troops, having long criticized U.S. alliances as outdated and counter-productive.

South Korean Defense Budget and Defense Industry

Under Moon, South Korea has increased its defense budget significantly. The government has requested a \$440 billion budget for FY2020, a 9.3% increase from 2019. This follows a 7.6% increase in FY2017 and an 8.2% increase in FY2018, the highest among OECD member countries. The increases aim to boost acquisitions, facilitate OPCON transfer, and respond to South Korea's demographic challenges, which constrain its conscription forces.

South Korea is among the top customers for U.S. Foreign Military Sales (FMS). From 2008 to 2016, ROK FMS contracts with the United States totaled \$15.7 billion, and commercial acquisitions totaled \$6.9 billion. Although European and Israeli defense companies also compete for contracts, from 2008 to 2016, approximately 75% of South Korea's total foreign defense purchases have come in the form of FMS and commercial sales from U.S. companies. Among the U.S. systems that South Korea is acquiring include Lockheed Martin F-35 Joint Strike Fighters, Boeing's P-8 Poseidon aircraft, and Northrup Grumman's RQ-4 "Global Hawk" unmanned aerial vehicles.

South Korea also has developed indigenous capabilities by allocating resources to defense research and development. According to South Korea's 2018 Defense White Paper, by 2023 the "force enhancement" budget will account for more than 36% of total defense spending, up from about 31% in 2019. The spending increase is tied to Seoul's strategic objectives, including a plan to integrate missile defense and other capabilities more closely with U.S. systems.

Congressional Involvement

Support for the alliance has been widely bipartisan, and many in Congress appear keen to restrain the President's ability to make major changes to force structure in the region. Section 1254 of the FY2020 National Defense Authorization Act (NDAA) Conference Report to Accompany S. 1790 prohibits the use of funds to reduce U.S. forces deployed to South Korea below 28,500 until 90 days after the Secretary of Defense certifies to Congress (1) that such a reduction is in the U.S. national interest and will not significantly undermine the security the U.S. allies in the region and (2) that U.S. allies have been "appropriately consulted" on the proposed reduction. The FY2020 NDAA would also require a report on South Korea's (and Japan's) contributions to U.S. alliances, and a sense of Congress on the continued U.S. commitment to its alliances with South Korea and Japan, as well trilateral cooperation between the three countries.

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