



A More Meaningful U.S.-Korea Alliance by Troy Stangarone

As Congress continues to debate Iraq and the future of U.S. foreign policy, a short distance from the U.S. Capitol negotiations are taking place that could harbor one glimpse of the future for U.S. foreign policy.

This week, the United States and the Republic of Korea are undertaking the seventh, and likely final, round of free trade agreement (FTA) negotiations. These negotiations are significant for the relationship between the United States and the Republic of Korea and the U.S. role in Asia.

Northeast Asia is the world's most dynamic region. As China "rises" and a global economy emerges, the locus of economic and political power is being dispersed at an ever increasing pace. The U.S. response to these changes will shape the 21st century and the United States' place in it.

Over the last few years, the U.S.-ROK alliance has begun to evolve to better reflect both current realities in foreign affairs and Korea's status as a developed nation. The U.S. is in the process of returning wartime military control of ROK forces to South Korea and moving U.S. forces out of downtown Seoul and into the Korean countryside. While the U.S. has nearly 30,000 troops stationed in Korea, military cooperation extends beyond the Korean Peninsula: Korea has the largest contingent of troops in Iraq after the United Kingdom.

The FTA negotiations are part of this larger process. Korea, surrounded by two economic giants, is the world's 11th largest economy. It is the U.S.'s 7th largest trading partner: two-way trade tops \$72 billion. For Korea, an FTA with the U.S. offers greater access to the world's largest consumer market, and guarantees continued economic relations with its most important military ally. For the U.S., the FTA offers increased market access in what would be the largest market opening for U.S. goods since NAFTA, and the ability to set new standards for FTAs in Asia and between developed economies. Moreover, the KORUS FTA would provide the United States an economic beachhead in a region where FTAs are rapidly proliferating and setting higher standards for market access that would benefit U.S. businesses.

For both sides, the FTA helps to move the alliance beyond its historical roots in the conflict with North Korea and begins to develop a more permanent and sustainable dimension to the alliance. As economic power becomes more significant, and China plays a larger role in the region, ensuring that the U.S. does not become Japan focused will be important.

As the two sides work this week to reach an agreement, significant issues must still be addressed. The removal of nontariff barriers that have hindered the access of U.S. goods

such as automobiles; improved access for innovative U.S. drugs; more access for U.S. agricultural products in the Korean market, are among the leading U.S. concerns. Korea is likely to present a new proposal to address its needs in the area of trade remedies and look for increased access for textile producers in the U.S. market. These issues do not include the most politically sensitive issues: the return of U.S. beef to the Korean market – once the 3rd largest export market for U.S. beef – and Korea's request that goods from a South Korean-run industrial complex in North Korea be considered as South Korean, rather than North Korean, goods.

In one sense, the KORUS FTA is a commercial deal, negotiated on commercial terms. In another, it is a deal that will be woven into the fabric of a changing U.S.-ROK alliance. Both sides must now decide what type of alliance they want that to be: one that is ad-hoc and primarily rooted in short-term benefits or one grounded in shared long-term interests.

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