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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. Most recently, South Korea has responded to Russian aggression in the Ukraine with a range of sanctions and other punitive measures.

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 it is completed, is the largest U.S. overseas military base in the world.

The Biden Administration has committed to reinvigorate the U.S.-ROK alliance after years of strain under the Trump Administration. Former President Trump’s periodic references to bringing U.S. troops home from the Peninsula, his criticism of the value of alliances more broadly, and the expiration of a burden-sharing deal in 2019 raised questions in South Korea about U.S. security commitments. Despite agreement on a new cost-sharing arrangement shortly after Biden took office, the alliance faces a number of challenges, including implementing an agreement to transfer wartime operational control, deciding when and at what scale to hold military exercises, and possibly pursuing more robust trilateral cooperation with Japan. In addition, different approaches to dealing with North Korea and China may put increased pressure on the alliance. The election of conservative politician Yoon Seok-youl as president in March 2022 indicates to many analysts that U.S. and ROK approaches to the alliance may come into greater alignment than under current president President Moon Jae-in, a progressive politician whose term expires in May 2022.

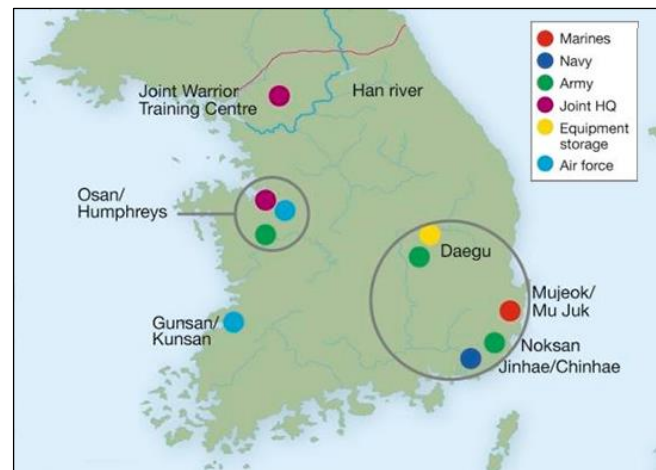
The Alliance and DPRK Policy

The threat from North Korea has framed the alliance since its formation in 1953. 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. The exercises facilitate operational cohesion, but can also contribute to tensions on the Peninsula. Pyongyang has responded angrily to alliance drills, calling them “preparation for war.” When the United States and South Korea have pursued diplomacy with

Pyongyang, the alliance sometimes has scaled back its military activities. For example, at a summit with North Korean Leader Kim Jong-un in Singapore in June 2018, former President Trump called for a cancellation of large-scale military exercises, declaring them “very expensive” and “provocative.” Smaller, less public exercises resumed in 2019, but were later curtailed because of the coronavirus pandemic. In August 2021, the U.S. and ROK militaries held joint drills, prompting North Korea to threaten to accelerate its own military buildup.

In 2018, South Korea and North Korea signed a tension-reduction agreement known as the Comprehensive Military Agreement (CMA). The CMA established 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. Observers pointed to a marked reduction of tension in the DMZ, but North Korea has failed to uphold much of its side of the agreement.

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



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

Regional Issues

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 ROK itself from North Korean threats. Although Biden and Moon have supported globalizing the alliance, questions remain about whether South Korea will join efforts that challenge China or sign on for partnerships such as the Quadrilateral Security Dialogue (“the Quad”) among the

United States, India, Japan, and Australia because of Chinese objections. The United States has urged greater coordination with other U.S. partners, particularly Japan, in confronting DPRK threats and countering China's military rise. Despite Biden Administration entreaties to strengthen trilateral cooperation, poor relations between Tokyo and Seoul have stymied many efforts. Although South Korea reversed its plan to withdraw from a military information sharing agreement with Japan in November 2019, tensions in the relationship remain. President-elect Yoon has promised to improve ties with Japan, and to seek to participate in and perhaps eventually join the Quad.

Burden-Sharing Negotiations

Since 1991, South Korea has provided financial support to the alliance through a series of Special Measures Agreements (SMAs) to offset the cost of stationing U.S. forces in Korea. SMA negotiations generally occur every five years. These talks are often contentious, and they became particularly divisive during the Trump Administration when Washington requested steep increases in ROK contributions. After signing a one-year stop-gap measure in February 2019, the pact expired in December 2019, leading to the furlough of about 4,500 Koreans who worked on U.S. bases. The Biden Administration concluded a new five-year agreement in March 2021, removing an irritant to the relationship. Under the agreement, South Korea will pay about \$1 billion annually, representing an increase of about 13.9% over previous SMAs.

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). 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 spending \$9.7 billion, or about 90% of the total cost of construction, for Camp Humphreys, and is a top buyer of U.S. arms.

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, reflects 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, like other progressive leaders before him, wanted to complete the long-delayed process to transfer operational control of ROK forces in wartime to a South Korean general, but that appears out of reach during his term. President-elect Yoon may not emphasize OPCON, following in the tradition of previous conservative presidents. The two sides have set conditions and benchmarks to guide the transfer decision, including

improved ROK capabilities to lead combined forces and counter DPRK threats, and a security environment conducive to a transfer. Significant progress has been made on some areas, but others remain slower to follow.

South Korean Defense and Military Issues

In 2020, South Korea had the 10th-largest defense spending in the world, constituting about 2.8% of its GDP. Under a program known as Defense Reform 2.0, South Korea is investing heavily in new military equipment, particularly for its missile defense program. In December 2021, South Korea's National Assembly approved a FY2022 defense budget of \$46.3 billion. This represented a 3.4% increase from the FY2021 budget, and followed a 7.6% increase in FY2017 and an 8.2% increase in FY2018. The increases aim to boost acquisitions, facilitate the OPCON transfer, and respond to the country's demographic challenges, which constrain its conscription forces. The moves also reflect a response to North Korea's military advancements and a long-standing desire by progressive South Korean leaders, including Moon, to expand South Korea's influence over military matters on the Korean Peninsula. President-elect Yoon has said he will continue military investments, particularly in missile defense.

South Korea has a mature defense industry, which the government has advanced in the past decade through industrial collaboration, defense offsets, and targeted efforts to acquire sophisticated technologies and expertise. Seoul also is among the top customers for U.S. Foreign Military Sales (FMS). From FY2017 to FY2020, South Korean FMS contracts with the United States totaled \$5.95 billion, making it the tenth-largest recipient during those years. For years, South Korean officials have voiced an interest in acquiring or developing nuclear-powered submarines. The Moon government raised this ambition after the surprise September 2021 announcement that the United States would help Australia develop a nuclear-powered submarine capability in cooperation with the United Kingdom. The United States has pushed back on South Korean calls for acquiring this capability, citing proliferation concerns.

Congressional Involvement

Support for the alliance has been 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 NDAA (P.L. 116-92) and Section 1258 of the FY2021 NDAA (P.L. 116-283) prohibited 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. Section 1252 of the FY2022 NDAA (P.L. 117-81) included a sense of Congress echoing the desire to maintain current force levels in the country.

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