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NORTH KOREA BACK AT THE BRINK?

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CONTENTS

NORTH KOREA: BACK AT THE BRINK?

THURSDAY, JUNE 11, 2009

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 2:04 p.m., in room SD–419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Feingold, Cardin, Casey, Shaheen, Lugar, Corker, DeMint, and Wicker.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

The CHAIRMAN. The hearing will come to order.

We're here today to discuss recent troubling developments in the Korean Peninsula and the road ahead in dealing with the Democratic People's Republic of Korea.

We're going to hear first from the administration's point man on North Korea and my friend and constituent, Ambassador Stephen Bosworth, the Dean of the Fletcher School of Law and Diplomacy at Tufts University.

We'll also hear an expert panel of witnesses who together have more than 100 years of experience dealing with the challenges that we face in North Korea.

North Korea's test of a long-range ballistic missile last April, followed by its second nuclear test last month, are, frankly, reckless and irresponsible acts that do nothing to advance North Korea's security.

I was pleased to see that last night in New York the Permanent Five Members of the U.N. Security Council agreed to speak with one voice and tell North Korea that its conduct is unacceptable. The Draft Security Council resolution which we expect to be voted on soon imposes a sweeping new arms embargo on North Korea and also bans financial transactions linked to North Korea's nuclear weapons and ballistic missile programs.

Significantly, it calls upon Member States to inspect all cargo to and from North Korea on the high seas, at seaports, and at airports if countries have reason to believe the cargo contains material related to North Korea's nuclear program or other weapons programs.

The Obama administration should be commended for this strong united outcome and China deserves recognition, as well.

As North Korea's ally and largest trading partner, China can play a decisive role in the peaceful resolution of this crisis. I was

in China when North Korea conducted its second nuclear test and I am convinced, based on the meetings I had and the language used as well as the body language interpreted, that China shares our opposition to the North's pursuit of nuclear weapons.

We can all be forgiven for feeling that we've been here before. As one knowledgeable observer wrote to me recently, we are now "hip deep into the third North Korean nuclear crisis."

The first crisis ended in 1994 with the signing of the agreed framework which froze the North's production of plutonium for 8 years. In 2002, the Bush administration confronted North Korea with allegations that it was cheating on the framework, but the Bush administration ruled out direct talks to resolve the issue. The result was the second nuclear crisis: the demise of the agreed framework itself, North Korea's withdrawal from the Nuclear Non-Proliferation Treaty and the quadrupling of North Korea's stockpile of fissile material.

So today, we confront a more dangerous North Korea that says it is determined to bolster its nuclear deterrent in defiance of its neighbors and other members of the international community.

How we deal with North Korea this time around will have grave implications not just for maintaining peace and stability in Northeast Asia, for our alliances with South Korea and Japan, but it will particularly have an impact on our ongoing nonproliferation efforts with respect to Iran and any other would-be nuclear power.

Step 1 is to get a unified response from the United Nations. That result appears to be eminent. But then we must resist the temptation to go into a defensive crouch. The past teaches us that benign neglect is not a viable option. America must lead efforts to stop the current negative cycle of action and reaction and begin the hard diplomatic work needed to deliver results.

As we seek to engage, we should remember the counsel of former Secretary of Defense William Perry who advised us to deal with North Korea "as it is, not as we would wish it to be. We should not assume that North Korea sees the world the way we do."

Recent developments should convince us to test our assumptions about North Korea and its motives. For instance, when I was in China discussing this with Chinese leaders, it was clear that there are a number of reasons for North Korea's current actions. One begs the question, Is North Korea really just trying to get our attention in a fairly sophomoric but nevertheless extraordinarily dangerous way?

The fact is they already had our attention. From day one, the Obama administration made a point of offering to engage directly and given the events of the past 6 months, it seems equally possible that North Korea is simply consumed with its internal leadership succession issues or possibly even simply responding to its dislike of the policies of South Korea in the recent period and that has encouraged it to adopt a brash and defiant posture against external pressure.

The greatest likelihood—I suspect that Ambassador Bosworth would agree—is that there's some of all of these involved in the position that they're taking.

Some observers on the outside have concluded that diplomacy with North Korea is essentially hopeless. Well, I completely and

bluntly disagree with that, as I'm confident Ambassador Bosworth does. It's an imperfect tool, but the fact is that even with North Korea, when we engaged in diplomacy, diplomacy paid some dividends and it could again in the future.

So finally, there's a common assumption that North Korea will sell anything to anyone. North Korea's export of nuclear technology to Syria appears to prove that case, but I believe, and I think many share this and the President included, that it's worth testing whether a combination of multilateral enforcement initiatives, such as the Proliferation Security Initiative, combined with cooperative threat reduction efforts championed by Senator Lugar, that those could alter the North's conduct.

As we test our assumptions, and it's important that we do, and examine our options, we have to consider not only who's at the table but also whether to attempt to reinvigorate the six-party talks, launch bilateral negotiations, or devise a new architecture.

We also have to consider how to prioritize the many issues that demand attention, including nuclear proliferation, human rights, regional peace and security, economic development, and humanitarian concerns.

I personally believe that we can get back to the six-party talks, that we should get back to them, and I believe we will get back to them. I also believe that bilateral is an important route to simultaneously take and I have said so for any number of years.

I look forward to hearing from our witnesses on each of these questions. Let me just say one quick word before passing it to Senator Lugar.

I know I speak for every single member of this committee and for every American when we express how deeply concerned we are on a purely humanitarian basis, the basis of common sense and decency, how deeply concerned we are for the fate of two American journalists, Laura Ling and Euna Lee, who are under detention in North Korea.

We are offended by the severity and excess of the sentence which was pronounced on them and we hope that common sense is going to prevail and that North Korea will see this not as an opportunity to further dig a hole but as an opportunity to open up and reach out to the world, to suggest there is a better way to try to deal with all of these issues.

We urge North Korea to do what is right and we urge them to do it promptly and unconditionally and to release those young women from custody.

Senator Lugar.

OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATE FROM INDIANA

Senator LUGAR. Thank you very much, Mr. Chairman, for holding this hearing to review the present situation in North Korea.

The recent provocative actions by North Korea that you've cited are moving that country toward even greater isolation. Almost universally, the international community has condemned North Korea's nuclear test, missile launches, detention of American reporters, and bellicose remarks.

There's wide speculation about the motivations for North Korea's behavior. Some observers point to dynamics within North Korea surrounding the eventual leadership transition of Chairman Kim Jong-il. They suggest that an array of top security service officials and military leaders are positioning themselves in the transition entry by pressing for hard-line actions, from threatening to shoot down aircraft to stopping the distribution of American food aid by NGOs and even the World Food Programme.

Regardless of motivation, North Korea has been engaging in a new level of international provocation. It's urgent that the United States and its partners develop policies that are clear and consistent. They should be willing to engage the North Koreans but there must be greater certainty that provocative steps by Pyongyang will result in predictable and meaningful consequences for the North Korean regime.

I support a full review of the United States policy toward North Korea. Secretary Clinton has said that the administration is considering all options in responding to North Korea's latest actions and I look forward to hearing additional details about this review from our first witness today, Ambassador Bosworth.

A number of points should be considered by the administration as it develops a North Korean strategy. Did the lack of a strong, unified, and persistent response by China, Russia, Japan, South Korea, and the United States to past provocative actions by North Korea factor into Pyongyang's decision to proceed with the latest nuclear test?

Do North Korean officials believe their country's relationships with Iran or Syria will be permitted to develop without consequence if those relationships include cooperation on weapons of mass destruction?

What is the nature of the cargo in North Korean planes and ships arriving in Burma which is sometimes a transit point for further global destinations?

Russia has been transparent in its cooperation with Burma in the development of a nuclear reactor, reportedly for medical research purposes.

Is North Korea contributing to the development of Burma's nuclear program and, if so, in what way?

What level of international cooperation exists to scrutinize North Korea's global trading network and its potential proliferation route, and can such cooperation be improved?

Is there a clear understanding of the efficacy and current status of agreements related to the six-party talks and the North Korean nuclear program? In essence, would any new negotiations be starting from square one?

The United States and China have cooperated closely in the six-party process but our priorities are not identical with regard to North Korea. While the United States is focused on eliminating North Korea's nuclear weapons program, China's primary concern relates to regional stability, a point not lost on North Korean officials.

Given recent provocations, have the prospects for more concerted Chinese actions been improved?

To facilitate the broadest possible base of support for moving ahead, I encourage the Obama administration officials to actively consult with Congress as they proceed in developing a comprehensive North Korea strategy.

I join with Chairman Kerry in welcoming our Ambassador Stephen Bosworth, Victor Cha and Nancy Lindborg, Evans Revere and Leon Sigal to today's hearing. We look forward to their insights and hopefully their inspiration.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Lugar. Those are, as always, thoughtful and important questions you asked and I'm confident that we'll get the answers to them in the course of the afternoon.

Let me just say that we do have two panels today and we'll try to get everybody through here in an appropriate manner.

Victor Cha is the former Director of Asian Affairs at the National Security Council and he's a professor at Georgetown University. Evans Revere is the president of the Korea Society and former Deputy Assistant Secretary of State for the East Asia and Pacific Affairs. Leon Sigal is a professor at the Social Science Research Council in New York and author of "Disarming Strangers" which is a diplomatic history of the 1994 Agreed Framework, and Nancy Lindborg is president of Mercy Corps and has worked inside North Korea to help deliver food aid to women and children in many parts; the poorest parts of the country.

So we're greatly appreciative for their expertise and for being here, and I'd just introduce Ambassador Bosworth. As many people know, he's one of our most distinguished veterans of diplomacy in the United States, served in many different posts.

I had the pleasure and Senator Lugar did, also, way back in—now way back in 1986, I worked very closely with Ambassador Bosworth and Senator Lugar was then chair and worked very closely with him on the Philippines and we had many meetings and many visits to the Philippines as we transitioned to the democracy with Cory Aquino from the Marcos regime and it was really an astounding transition and I will say again, as I have said previously in public, that we were lucky, fortuitous, to have an ambassador of his skill on the ground helping to move complicated issues as effectively as he did.

It was an enormous privilege to work with him in that period and I was greatly impressed then and I think we have been ever since. So we're delighted you're back on the job. This is a region you know well and you're the right person for this job.

Thank you for being with us.

STATEMENT OF AMBASSADOR STEPHEN BOSWORTH, SPECIAL REPRESENTATIVE FOR NORTH KOREA POLICY, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador BOSWORTH. Thank you, Mr. Chairman, Senator Lugar. It's a pleasure to be here.

I wish I had more positive news to convey, but it is nonetheless, I think, very important that we be in the process of consulting with the Congress, particularly with this committee and other committees, as we try to move forward.

I will not repeat what the two of you have said with regard to the situation that we face and what has happened to bring us to the point at which we now stand. I think you've each summarized that very completely and very accurately.

I've submitted a written statement for the record. I would note that the international community has in our judgment, reached an important moment for the security of Northeast Asia.

If North Korea does not heed the unanimous call of the international community and return to negotiations to achieve the irreversible dismantlement of their nuclear and ballistic missile capacity, the United States and our allies and partners in the region will need to take the necessary steps to assure our security in the face of this growing threat. In the interests of all concerned, we very much hope that North Korea will choose the path of diplomacy rather than confrontation.

We have seriously embarked upon a four-pronged strategy: regional consultation, U.N. and bilateral sanctions, defensive measures, and, if North Korea shows seriousness of purpose, diplomatic engagement.

First, we are consulting with our allies and partners in Asia, especially those who have been involved with us in recent years in the six-party talks to ensure a denuclearized North Korea. President Obama and Secretary Clinton have been in the forefront of this effort, reaching out to leaders in Japan, South Korea, China and Russia, to emphasize the importance of the international community, conveying a desire for a strong, unified response to Pyongyang that it will suffer consequences if it does not reverse course.

Last week I participated in a mission to Japan, the Republic of Korea and China, led by Deputy Secretary of State James Steinberg, where we reiterated this point.

I can say that our partners share our view that North Korea's nuclear and missile threat is a challenge to the international order and a hindrance to lasting stability in Northeast Asia that must be addressed.

We found that our Asian partners agree that North Korea's provocative behavior is changing the security situation in Northeast Asia, and we agreed to take coordinated steps to get North Korea to reverse its latest provocative steps.

China obviously has an important role to play in influencing the path North Korea follows. On our recent trip, we found that China shared a deep concern about North Korea's recent actions, and a strong commitment to achieve denuclearization.

Our challenge now is to work with China to turn that commitment into effective implementation of the U.N. Security Council resolutions.

Second, we are responding to North Korea's actions with new measures designed to raise the cost to North Korea of going down this dangerous path. We are working with other Security Council members on a range of measures to prevent North Korea from engaging in the proliferation of dangerous technologies and to dry up the funding for its nuclear- and missile-related entities and other companies.

Third, we are, in conjunction with our allies, taking prudent steps to implement defensive measures aimed at enhancing our military capacity and our extended deterrence in the region.

On our recent mission, we began to outline a future plan of responses and defensive measures that the United States and its allies will take should North Korea refuse to adjust course and should it continue to implement its announced plans for provocative behavior, including future missile or nuclear tests.

We are committed to do what is necessary to protect the American people and to honor our commitments to our treaty allies.

Fourth and far from least important, we remain willing to engage North Korea to resolve our differences through diplomacy. A central tenet of the Obama administration's foreign policy approach to date has been a willingness to engage in dialogue with those with whom we have had differences, sometimes very serious differences.

From the beginning, this has been the approach we have pursued with North Korea, but so far North Korea has not responded in kind.

On our recent trip, we made clear that the United States remains open to bilateral dialogue with North Korea in conjunction with a multilateral effort to achieve the denuclearization of the Korean Peninsula. As we have stated repeatedly, the United States has no hostile intent toward the people of North Korea, nor are we threatening to change the North Korean regime through force. We remain committed to the September 2005 Joint Statement from the six-party talks, the core goal of which is the verifiable denuclearization of the Korean Peninsula through peaceful means.

We believe it benefits North Korea's own best interests to return to serious negotiations to pursue this goal. The United States position remains unchanged. We will not accept North Korea as a nuclear weapons state.

In short, Mr. Chairman, diplomatic outreach will remain possible if North Korea shows an interest in abiding by its international obligations and improving its relations with the outside world. If not, the United States will do what it must do to provide for our own security and that of our allies.

We will work with the international community to take defensive measures and to bring pressure to bear on North Korea to abandon its nuclear and missile programs. The choices for the future are North Korea's.

Thank you again for inviting me to testify today. Before I respond to any questions you might have, I would like to mention an important humanitarian matter that is unrelated to the political and security issues I have just addressed, the conviction and sentencing this past Monday of two American journalists in Pyongyang.

As Secretary Clinton has said, we appeal to North Korean authorities on humanitarian grounds to release these two women and return them to their families.

Due to Privacy Act considerations, I am not able to answer questions about our detained citizens in this public hearing, but the Department of State and the Secretary of State appreciates the interest we have received from Members of Congress.

I can assure you we are pursuing every possible approach in order to persuade the North Koreans to release them and send these women home.

Thank you very much, Mr. Chairman. I look forward to the questions of the committee.

[The prepared statement of Ambassador Bosworth follows:]

PREPARED STATEMENT OF AMBASSADOR STEPHEN BOSWORTH, SPECIAL REPRESENTATIVE FOR NORTH KOREA POLICY, DEPARTMENT OF STATE, WASHINGTON, DC

Chairman Kerry, Ranking Member Lugar, and members of the committee, thank you for inviting me to testify today about one of our most important foreign policy challenges, that of North Korea's nuclear and missile threats.

BACKGROUND

North Korea's April 5 test of a Taepodong-2 missile and its May 25 nuclear test were serious and unacceptable threats to international peace and security that violated existing Security Council resolutions and raised questions about North Korea's intentions to honor its commitments to achieve complete and verifiable denuclearization. After the April missile test, the U.N. Security Council condemned the launch and tightened sanctions against North Korea's missile and military programs. In response, North Korea then threatened other dangerous and provocative measures, including conducting another nuclear test, if the Security Council did not "apologize" to North Korea. On May 25, North Korea conducted what it announced to the world as an underground nuclear test. In immediately condemning this behavior, President Obama noted that North Korea's actions pose a "direct and reckless challenge" to the international community.

As a result of North Korea's actions, the international community has reached an important moment for the security of Northeast Asia. If North Korea does not heed the unanimous call of the international community and return to negotiations to achieve the irreversible dismantlement of their nuclear and ballistic missile capacity, the United States and our allies in the region will need to take the necessary steps to assure our security in the face of this growing threat. In the interest of all concerned, we hope that North Korea will choose the path of diplomacy rather than confrontation.

U.S. RESPONSES

To meet the challenge of North Korea's recent actions, the United States is acting promptly and seriously through a four-pronged strategy: Close regional consultation and cooperation, U.N. and national sanctions, appropriate defensive measures and, if North Korea shows serious willingness, diplomatic engagement to negotiate a path to denuclearization.

First, we are consulting with our allies and partners in Asia, especially those who have worked in recent years through the six-party talks to ensure a denuclearized North Korea. President Obama and Secretary Clinton have been in the forefront of this effort, reaching out to leaders in Japan, South Korea, China, and Russia to emphasize the importance of the international community conveying a strong, unified response to Pyongyang that it will suffer consequences if it does not reverse course. Last week, I participated in a mission to Japan, the Republic of Korea, and China, led by Deputy Secretary of State James Steinberg, where we reiterated this point. Our partners share our view that North Korea's nuclear and missile threat is a challenge to the international order and a hindrance to lasting stability in Northeast Asia that must be addressed. We found that our Asian partners agree that North Korea's provocative behavior is changing the security situation in Northeast Asia. We agreed to take coordinated steps to get North Korea to reverse its latest provocative steps.

As North Korea's neighbor, traditional ally, and primary aid and trade partner, China has an important role to play in influencing the path North Korea follows. On our recent trip, we found that China shared a deep concern about North Korea's recent actions, and a strong commitment to achieve denuclearization. Our challenge now is to work with China to turn that commitment into effective implementation of the UNSC resolutions.

Second, we are responding to North Korea's provocative actions with new measures designed to raise the cost to North Korea for going down this dangerous path. We are working with other Security Council members on a range of measures to prevent North Korea from engaging in the proliferation of dangerous technologies

and to dry up funding for its nuclear and missile-related entities and other companies.

Third, we are, in conjunction with our allies, taking prudent steps to implement defensive measures aimed at enhancing our military capacity and our extended deterrence in the region. On our recent mission, we began to outline a future plan of responses and defensive measures that the United States and its allies will take should North Korea refuse to adjust course and should it continue its announced plans for provocative behavior, including future missile or nuclear tests. We are committed to do what is necessary to protect the American people and to honor our commitment to our treaty allies.

Fourth and finally, we remain willing to engage North Korea to resolve our differences through diplomacy, including bilaterally, within the framework of the six-party process. A central tenet of the Obama administration's foreign policy approach to date has been a willingness to engage in dialogue with those with which we have had differences, sometimes very serious differences. From the beginning, this has been the approach we have pursued with North Korea. But North Korea greeted the open hand of the new administration with preparations to launch a ballistic missile. When I was appointed by the President and Secretary Clinton, I proposed to the North Koreans a visit to Pyongyang, in the spirit of engagement, rather than threat. To this day, I have received no response.

On our trip, we made clear that the United States remains open to bilateral dialogue with North Korea in conjunction with the multilateral effort to achieve the denuclearization of the Korean Peninsula. As we have repeatedly stated, the United States has no hostile intent toward the people of North Korea, nor are we threatening to change the North Korean regime through force. We remain committed to the September 2005 Joint Statement from the six-party talks, the core goal of which is the verifiable denuclearization of the Korean Peninsula through peaceful means. We believe it benefits North Korea's own best interests to return to serious negotiations to pursue this goal. The United States position remains unchanged: We will not accept North Korea as a nuclear weapons state.

In conclusion, diplomatic outreach will remain possible if North Korea shows an interest in abiding by its international obligations and improving its relations with the outside world. If not, the United States will do what it must do to provide for our security and that of our allies. We will work with the international community to take defensive measures and to bring significant pressure to bear for North Korea to abandon its nuclear and missile programs. The choices for the future are North Korea's.

Thank you again for inviting me to testify today. Before I take your questions, I would like to mention an important humanitarian matter that is unrelated to the political and security issues I have just addressed—the conviction and sentencing Monday of two American journalists in Pyongyang. As Secretary Clinton has said, we appeal to North Korean authorities on humanitarian grounds to release these two women and return them to their families. Due to Privacy Act considerations, I am not able to answer questions about our detained citizens in this public hearing, but the Department of State appreciates the interest we have received from Members of Congress. I can assure you we are pursuing every possible approach that we can consider in order to persuade the North Koreans to release them and send these young women home.

The CHAIRMAN. Thank you very much.

Senator WICKER. Mr. Chairman.

The CHAIRMAN. Senator.

Senator WICKER. Will there be an opportunity for the committee to be briefed in an executive session with regard to the two detainees?

The CHAIRMAN. Sure. Absolutely. If you want a briefing, I think the easiest thing would be if you just want to get on the telephone and call Secretary Steinberg, I'm confident that you'll get your briefing or call the Ambassador outside of this proceeding and he'd be happy to brief you.

Ambassador BOSWORTH. Certainly.

Senator WICKER. Thanks.

The CHAIRMAN. I see we have a vote that has started. What I think we'll do, Senator, if you're willing, I'll ask—if you run over

and vote, you'll probably get back here in time and that way we cannot interrupt the proceedings. Thank you.

Mr. Ambassador, you used some appropriately strong language and I want to see if we can flesh this out a little bit. You talked about the consequences. You talked about the challenge to order. You talked about how this must be addressed. You talked about how these are provocative steps, several times using the word "provocative" steps. You said they must reverse their actions and our policy is a verifiable denuclearization.

I think you've been very clear about how we react to this, what our goal is, but I want to try to understand a little better what the range of consequences might be.

I mean, what is coming together—maybe you could even share with us some framework of these discussions in New York and give the committee and those listening a sense of what we're anticipating.

Ambassador BOSWORTH. I will certainly be happy to try, Mr. Chairman.

With regard to the discussions in New York, as you can appreciate, this has been a primary focus of our efforts. The Security Council is now considering a new resolution that, if adopted, would impose unprecedented new measures to address the threat posed by the DPRK's missile and nuclear proliferation activities and to compel that country to commit itself to political dialogue and denuclearization.

These measures will give the international community some new tools to work with on the problem of North Korea. It would include, if adopted, first a total ban on arms exports and a major expansion of the ban on arms imports, new financial sanctions to limit the ability of DPRK to fund its WMD and ballistic missile-related activities, enhanced Inspection Act provisions for ships suspected of carrying proscribed goods, such as weapons of mass destruction or ballistic missile parts, designation of new entities and goods for sanctions, and within the U.N. Security Council itself improved mechanisms for monitoring the implementation of these sanctions, which I think is very important.

That outlines a range of the actions that will take place and from which, in order to obtain relief, the North Koreans will have to begin to comply with their earlier commitments and obligations.

The CHAIRMAN. And if they don't?

Ambassador BOSWORTH. These measures will go forward. As I stressed, our strong preference is to engage in serious effective diplomacy with North Korea, and this is not something that the United States is doing on a unilateral basis. We are acting very much in concert with our two treaty allies, Japan and the Republic of South Korea, and in concert with our partners in the six-party process, namely China and Russia.

The CHAIRMAN. What restraints are there at this point on the diplomatic route being pursued? Has there been a rebuffle—a rebuff of that? Is there a lack of communication in response or is there some indication of this opening in the near term?

Ambassador BOSWORTH. I think there has been no lack of communication of our concern and what we are prepared to do. North Korea has been listening. We have some degree of confidence. So

far we've had no effective response from North Korea, other than their assertion about a month ago before their nuclear test that they were going to test another nuclear device because the U.N. Security Council had failed, as they had demanded, to apologize to North Korea for its earlier actions.

But so far there has not been any demonstrated willingness to engage with the international community, either through the U.N. or directly through the six-party process.

The CHAIRMAN. What if this particular round of sanctions elicits even further provocative response?

Ambassador BOSWORTH. Well, obviously we are prepared to respond appropriately, and I'm really not at this time able to go much beyond that.

As I said in my prepared remarks, the United States will do what is necessary to defend U.S. national security and the security of our allies in the region.

The CHAIRMAN. Have the Chinese—I know from my conversations when I was there that they've been in touch, but has there been any visit or any kind of high-level personal diplomacy in this effort at this time?

Ambassador BOSWORTH. The Chinese have been engaged in various kinds of diplomacy over the last several months with the North Koreans. I'm not at this point prepared to comment on what they might have done recently or might be doing in the future, only to say that I think we and the Chinese agree that we each have respectively a very important role to play in trying to defuse the situation through diplomatic interaction.

The CHAIRMAN. Would you concur that the Chinese response with respect to this particular test was both quicker and more intense and palpable than it has been in the past?

Ambassador BOSWORTH. Yes.

The CHAIRMAN. Would you further characterize the Chinese concern in any way that might help us understand the options as we go forward?

Ambassador BOSWORTH. I think it is very fair to say that we found on our trip to the region and in bilateral consultations here and elsewhere with the Chinese that they are deeply concerned about the prospect of North Korea continuing forward with its nuclear program and with its ballistic missile program.

The CHAIRMAN. Have there been conversations similarly—obviously there have been in terms of the resolution, but in terms of various other potential options and attitudes with respect to Russia?

Ambassador BOSWORTH. Russia, too, has shared that deep concern and has been actively collaborating and working together with us in the U.N. Security Council.

The CHAIRMAN. Is it fair to say that the P5 is probably more focused and energized and united on this than it has been in the past?

Ambassador BOSWORTH. I'm not a veteran of U.N. activities, but I could say that I'm impressed by the degree of focus that the P5 has brought to this particular problem, including, of course, the other two members who are actively engaged in this, namely Japan and the Republic of Korea.

The CHAIRMAN. What would it take—is there some precondition under—that is not public—I'm not asking you to make it public, but is there any precondition with respect to how the United States gets back to the table or if North Korea came back tomorrow and said you want to have six-party talks, fine. Would we be there? Would they start?

Ambassador BOSWORTH. We have made it very clear that we are prepared to go back to the table any time the North Koreans are. We are not the ones who have announced their withdrawal from the six-party talks. That has been the North Koreans.

The CHAIRMAN. And would it be bilateral and multilateral that we would do that?

Ambassador BOSWORTH. The President and the Secretary have made it clear that we are prepared to engage bilaterally within a multilateral context and multilaterally, and I think we are prepared to be quite ambitious in both areas.

The CHAIRMAN. In the past, those talks were, I believe, unifocused on the nuclear issue.

Would there be a willingness this time to be more diverse with respect to the topics that might be discussed? Would it be all topics open?

Ambassador BOSWORTH. I think in fact all topics would be open. The nuclear issue remains the core from our point of view and from that of our partners in the six-party process, but my own strong belief is that to deal in the long term with the problems that North Korea poses requires that we broaden our focus beyond the nuclear question alone.

North Korea is a very weak state, despite its boisterous activities in the area of nuclear technology and missiles, and in order to achieve the kind of stability in Northeast Asia that is important for not only the countries of that region but, indeed, the countries of the world, including specifically the United States, I think we have to address how we can help North Korea achieve greater economic success. As long as it remains as weak as it is, there is a risk that it will generate instability throughout the region.

We're also prepared, as we have indicated in the past, to talk with the North Koreans about the normalization of our own relationship with them and we're prepared to talk with them, together, of course, with our partners in the region, about our new arrangements that might be put in place to replace the Armistice of 1953.

All of these things are effectively interlinked, but again the core of our concern and the sine qua non of making progress is serious engagement by the North Koreans on the issue of denuclearization.

The CHAIRMAN. And in my opening comments, I observed the sort of multiplicity and motives with respect to Kim Jong-il's choices here. I wonder if you might comment on your perceptions as a veteran of this.

Ambassador BOSWORTH. I have, at my pain, learned not to project my views of why North Korea does things very actively. I think sometimes it's very difficult for people on the outside, including myself, to understand their motivations.

I would only say, Mr. Chairman, that I think the various motivations that you put forth all make sense to me.

The CHAIRMAN. Well, I appreciate that. Senator Wicker, did you already vote?

Senator WICKER. I haven't. I thought I might try to squeeze a question or two in, if you'll walk slowly, Mr. Chairman.

The CHAIRMAN. Let's find out how much time there is on the vote——

Senator WICKER. Well, I understand the clock is——

The CHAIRMAN [continuing]. And we'll see how slowly I'll walk. We'll try to figure that out. I've certainly gone over my time. So I'm happy to—we only have 2 minutes on the vote. I'm happy to—as you know, there's always a little——

Senator WICKER. Sure. I will risk it, if you don't mind, Mr. Chairman.

The CHAIRMAN. I'm delighted. So if you would turn it over to Senator Lugar when he gets here and I'll go vote and come back and we'll just try to keep going.

Senator WICKER. Thank you, Senator.

The CHAIRMAN. And I'll tell him you're on your way.

Senator WICKER. Thank you. Please.

The CHAIRMAN. Are you going to vote against him? No. [Laughter.]

Senator WICKER. I'm going to vote "yes," as a matter of fact.

The CHAIRMAN. We're saved by Senator Wicker.

Senator LUGAR. Let me mention that there are other countries that are involved that we haven't touched upon, at least I have not heard them in the course of our talks thus far, such as Germany and Italy, others who are involved in the commercial relations, even among our NATO alliance.

As I recall, and this may be an oversimplification of affairs, but at another juncture, with difficulty in negotiations, maybe before progress in the six-party talks, there were measures taken through the banking systems of various countries in the world in which apparently North Korea assets, deposits, perhaps of the leadership or others, were obstructed from being of value to them. That seemed to have a greater effect at that point than many of the threats or pressures that were coming through diplomacy, whether it be through the U.N. or through other nations.

Can you give us some insight as you take a look at that particular method with regard to the current North Korean financial situation or that of its leadership as to what kind of pressure is involved in these determinations in the banking system of the country?

Ambassador BOSWORTH. That is a subject that we continue to examine. It is a subject which is covered in part at least in the U.N. Security Council resolution which is now pending adoption in New York, and it is one about which we are exchanging views with our partners and allies in the region.

Beyond that, I'm really not able to go very far at this point, Senator. Obviously, we're looking at all mechanisms which would enable us to help to persuade North Korea to come back to a negotiating framework.

Senator LUGAR. Not belaboring the issue, can you describe from your own experience or your own history of this situation really how those financial instruments work?

In other words, as the public takes a look at this hearing and tries to understand something of that complex nature, why was this effective, if you believe it was, in the past with regard to North Korea?

Ambassador BOSWORTH. I can't really go into much detail on this, not because I'm reluctant to comment but because I was not involved in these efforts at that time.

But I think we are looking at the possibility of additional measures which will be very carefully targeted and which would, as you suggest, address the issues posed by specific North Korean deposits and holdings outside of the country.

Now obviously this becomes very complicated because North Korea would have relationships with banks and financial institutions of other countries, and we have to be sure that we are coordinating this with those governments, but, particularly under the pending U.N. Security Council resolution, this is an area of activity that we are going to look at very seriously.

Senator LUGAR. Is it your judgment that if the Security Council resolution that currently is being discussed were, in fact, to be favorably voted upon, that other countries, such as the ones I've mentioned or other European countries, and others who have these dealings, would feel bound to observe that?

In other words, could they find exceptions that would allow their commercial interests, their banking interests to proceed?

Ambassador BOSWORTH. On the whole, my view is that they would be inclined to cooperate very strongly with the U.N. Security Council resolution, and as I mentioned, the new resolution would, if adopted, create new enforcement opportunities within the Security Council itself.

Senator LUGAR. In recent days, it has appeared that after threats to South Korea, that commercial establishments, 6 miles we're told from the DMZ, would be shut down, with cooperation on both sides. The North Koreans have relented in that pressure.

Is that your observation or what information can you give us in terms of the South Korean/North Korean commercial situation?

Ambassador BOSWORTH. I'm not sure I understand exactly what you're referring to, Senator. If it's with regard to the industrial zone at Kaesong, then there have been a number of conversations between the North and the South underway for some time. We follow those with interest and I think we would be happy to get back to you as to where we think those are going.

Senator LUGAR. I mentioned that because it appeared that at a moment in which the North Koreans certainly have been very aggressive with regard to the South Koreans, even threatening military action, there so appeared to be some talks or negotiation proceeding which was interesting in view of all the other provocative activities.

Ambassador BOSWORTH. My impression is that is correct, and I, too, find it of some interest, and I think it hopefully will demonstrate a willingness on the part of North Korea to look at its own self-interests and make decisions based on that.

Senator LUGAR. What is your impression, still following the economic sanction activity, about the economy of the country? Normal reports are that obviously many people throughout the country are

sorely deprived and many may be near starvation or sorely in malnutrition much of the time, and this has led the international community to be cautious about economic sanctions, particularly when they came with humanitarian situations, such as food, basically.

But in the event that economic sanctions were to become complete, what is the likely course of activity in the country at that point? Is there an economy that is sufficient to at least prevent revolt or others, before they die, at least having something to say about it?

Ambassador BOSWORTH. As you suggest, Senator, the North Korean economy is in a desperate condition. It has been steadily going downhill since probably the early 1990s and its industrial output, for example, is now only a fraction of what it might have been, what it was in the late 1980s.

Its agricultural output is also very, very poor and has been inadequate to meet the needs of its own citizenry, and North Korea has depended heavily on international contributions of food stuffs to feed its own people.

Now, as I know you are aware, North Korea about 2 months ago asked our humanitarian agencies and organizations who were there to deliver the food that the United States had agreed to make available, were asked to leave by the North Korean authorities. So that quantity of food is no longer being provided.

We remain concerned on humanitarian grounds about the condition of the North Korean population, which is not good. Now, the country is covered by such secrecy that one doesn't know exactly what the condition of all the population might be, but it is clear that diet is inadequate in terms of caloric intake, and if they have a harvest that, for example, is not as good as it should be or as they hope it would be, then the conditions deteriorate even further.

So we and our partners and other countries in the U.N. Security Council are very conscious of the need not to further punish the people of North Korea. That is very much one of the things that guides us as we try to shape a policy that will both respond to what the North Korean Government is doing and give us some possibility for improvement.

Senator LUGAR. Thank you. I would note the presence of Senator DeMint.

In the absence of the Chair, I recognize the Senator for his round of questions.

Senator DEMINT. Thank you, Senator Lugar.

Mr. Bosworth, thank you for being here.

I would like to ask some questions specifically about the designation as a state sponsor of terrorism for North Korea and what that designation might do to leverage some American goals.

As you know, the new administration has now hesitated to point out mistakes of the last administration, yet when asked about reinstating the designation of a terrorist nation, the administration has appealed to the decision that Bush made last year about this time.

As you know, the Bush administration, in an attempt to entice North Korea back to the negotiating table, took North Korea took off the list of state sponsors of terrorism, and I think, I'm sure as you know, that designation allowed us to freeze assets and pressure them in other ways.

Since then, it's been very obvious the North Koreans have not honored that in any way and in fact they have expedited, expanded their development of nuclear weapons. They've tested large nuclear weapons, tested more missiles and have promised to test a missile that could reach our shores.

Last week, about eight Senators sent a letter to Secretary Clinton asking her to put North Korea back on the state sponsors of terrorism and we've yet to receive an answer. One that we heard in the press was that there is no evidence that there has been new terrorist activities since they were taken off the list, but the point is, is they never cease their terrorist activities.

The most recent Congressional Research Service pointed out that North Korea has and continues to collaborate with Iran, Syria, as far as weapons distribution and supporting terrorism. Nothing has changed about North Korea, except that we've taken the pressure off of them.

It does appear that one of our best sources of leverage at this point is to put that pressure back on them and to do it quickly because North Korea has not responded to our talk, about goodwill, in any way, except to expedite their whole mission of being able to threaten most of the world.

So what is the hesitation to put North Korea back on that terrorist list?

Ambassador BOSWORTH. Thank you very much, Senator.

As Secretary Clinton has said, we take very seriously the calls by Members of Congress to redesignate North Korea as a state sponsor of terrorism. As a legal matter, in order to be designated as a state sponsor of terrorism, the Secretary of State is only authorized to make a designation based on a determination that the government of a given country has repeatedly provided support for acts of international terrorism.

Now I can say unequivocally we will follow the provisions of that law completely.

I would note that a redesignation of North Korea as a state sponsor of terrorism would not result in any new material penalty to the North Koreans, since many of the activities that we're talking about are covered under other sanctions applied to North Korea under other provisions of U.S. law, including proliferation of weapons of mass destruction and the means for delivering them.

Senator DEMINT. It does send a message to them and the world and I think highlights what we know has been going on; continues to go on. There appears to be little doubt, as I look to the Congressional Research Service report, that whether it's supporting activities of the Iranian Revolutionary Guard or material support to the Taliban, Hezbollah, Hamas, the Shia militants in Iraq, that this is a serious provocation, and it seems that we're holding our punches by not calling it what it is and my encouragement would just be for us to take this seriously because when we lighten up on North Korea by taking them off the list, we did lighten up on them.

We in a sense rewarded bad behavior, hoping we'd create good behavior, and we got worse behavior than we had before. It makes absolutely no sense to continue with this and I think it basically amplifies a growing sense of Americans are a paper tiger, full of talk, and no action.

It appears that this is maybe one of the few things we could do at this point that could actually put some pressure on them and if you say we're already doing all of the things, such as freezing their assets and the other economic sanctions that go along with this, the message it sends to the world is that we're getting serious, at least in my mind.

Ambassador BOSWORTH. I appreciate your thoughts, and we will reflect on that and get back to you.

I think, as I said earlier, the question is based on a legal determination as to whether a given country has repeatedly provided support for acts of international terrorism.

Now, we don't like in any way what many of the things that North Korea has done, and we will continue to object to and sanction those as appropriate under United States law.

Senator DEMINT. Well, I appreciate you bringing up the law because that threshold of law was met by North Korea in both the Bush administration and the Obama administration. It meant that nothing ever changed, that this was only changed as an enticement and not because they ceased any of the activities.

The legal threshold for being on the state sponsor of terrorism was met. They've been on that list since 1988 and there has never been any reason to take them off from a legal perspective. It was a diplomatic move to take them off. So I hope we don't use that as an excuse not to move on this but I will yield to your research on the issue.

I'm just looking, as I'm sure you are, as a way to appear more serious than rhetoric, that what they're doing is a danger to the whole world right now.

Thank you again for being here with us. I yield back.

Senator LUGAR. In the absence of the Chair, I recognized Senator DeMint, but I'll yield the Chair now to Senator Feingold and recognize him for his questions.

Senator FEINGOLD. Well, I thank you, Senator Lugar.

Let me just do a round here myself. I'm very pleased that this hearing is being held. It's been quite some time since the committee has explored this issue and one that I think we can all agree remains one of the greatest challenges to our national security.

Although we did appear to make some initial headway at the end of the last administration, it's clear from North Korea's recent provocations that we have not yet found a lasting resolution.

As the situation on the Korean Peninsula continues to deteriorate, the United States needs to take a central role in determining how best to engage Pyongyang and also send a clear message that North Korea cannot use illicit weapons programs to demand concessions from the international community, nor can it arrest American citizens on apparently trumped-up charges and then find them guilty in a closed-door trial. These actions will only invite further isolation, greater hardship for the North Korean people, and, of course, continued rejection by the international community.

I'm pleased that President Obama is seeking to engage meaningfully on this issue, that the administration is working with many of our friends and allies in the region and at the United Nations to craft a strong multilateral response. The stakes are far too high

for an ad hoc, uncoordinated policy, and we must make clear that violations of international law and basic human rights actually have serious consequences.

Ambassador Bosworth, I believe North Korea continues to be, of course, a critical threat to our national security and to the security of our friends and allies in the region. Accordingly, we have to prioritize this issue as long as North Korea continues these provocative and dangerous actions.

Noting that you were recently quoted as saying, "I don't think it's useful to try to persuade [the North Koreans] to do what they don't want to do" and that "in the end they will see that having dialogue is in their interest," how do we drive negotiations forward in a way that is genuinely appealing to Pyongyang without simply waiting for the North Koreans to rejoin the talks while they may well be continuing to produce nuclear weapons?

Ambassador BOSWORTH. First of all, our best hope of making progress on these issues is as you suggest, to work jointly with the major countries of the region and our principal allies in the region, and this is not a unilateral American effort. Through the frequent consultations with the other parties to the six-party talks and through the U.N. Security Council, we have made multilateral action the centerpiece of what we are trying to do with the North Koreans.

As for how one makes progress over time, I would counsel only patience and perseverance, and I think we have to remain steady. We have to continue to indicate that some of the things that North Korea is doing are dangerous and unacceptable to us, and we have to be prepared to respond, as we are now responding, through the U.N. Security Council resolution, through bilateral sanctions, and through consultations with our partners in the region.

We must also continue to indicate that for us, engagement and dialogue and diplomacy remain the only real way to solve this problem. Now that does not mean that you acquiesce in everything that North Korea wants—far from it—but if we remain patient and persevere in our policy, the chances of eventual progress are good.

Senator FEINGOLD. There have been numerous press reports that Kim Jong-il has selected his youngest son to be his successor, and some analysts speculate that the recent nuclear and missile tests were part of an effort to ensure a smooth transition of power to his preferred heir.

Do you think our ability to move forward with the negotiations is limited while Kim Jong-il remains in power and, more specifically, what impact do you think an impending transition of power would have on North Korea's nuclear development program and willingness to participate in negotiations—and also in this regard, if Kim Jong-il's youngest son has, in fact, been selected as the heir, give me a little sense of what you think it might mean for our policy toward North Korea.

Ambassador BOSWORTH. First, I would note that there's been, as far as we are aware, no formal designation of anyone as Kim Jong-il's heir. So to some extent, this is a reflection of speculation in the press which may or may not prove to be founded.

In the meantime, what I would say in response to your very good questions is to quote someone who was quoted earlier by the chair-

man and that is Secretary Bill Perry when he was Secretary of Defense, who advised that "we should deal with North Korea as it is, not as we would wish it to be."

So regardless of who is in power in North Korea, who is the President, who is the leader, I think we have to deal with North Korea on the basis of what it does and not what we think would be a likely alternative.

Senator FEINGOLD. I understand that up at the United Nations, a draft resolution has been agreed to that would expand and toughen multilateral sanctions toward North Korea. I recognize you're probably able to share very little of that because they are ongoing discussions, but I'm interested to hear what specific mechanisms, existing or otherwise, will be used to enforce both new and existing sanctions.

I'm raising this concern because U.N. Security Council Resolution 1718, which passed in 2006, appeared to be a strong multilateral tool in that it banned atomic explosions and long-range missile launches by North Korea and imposed limited financial sanctions, as well as a partial trade and arms embargo on Pyongyang. However, as you well know, the measures have been widely ignored and unenforced, and thereby basically rendered the multilateral effort rather toothless.

Ambassador, what steps are being taken to ensure that this new resolution, if it does pass, does not have essentially the same fate?

Ambassador BOSWORTH. One of the things that would be provided by this new resolution, assuming it is adopted, is that the DPRK Sanctions Committee will have an enhanced mandate to focus on compliance, investigations and outreach, and also a panel of experts would be established, as under other sanction regimes, to support the committee's effort to monitor and improve implementation, and I think it is obvious that for the United States Government, a position of urging all U.N. members to comply fully with this new resolution will be a very important part of our response to what North Korea is doing.

Sanctions resolutions are useful and important, largely to the extent to which they are implemented, and I very much believe that we will push to ensure that other countries implement these resolutions as fully as we do.

Senator FEINGOLD. Thank you, Ambassador. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Feingold.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman.

Thank you, Mr. Ambassador, for being here. You certainly have your work cut out for you.

In your testimony, you mentioned your findings on your recent trip, include that China shares a deep concern about North Korea's recent actions and a strong commitment to achieve denuclearization.

There's a widely held view, Mr. Ambassador, that if China really had the resolve to squeeze their North Korean neighbor on the issue of denuclearization, they could accomplish this in a way that really no other country on the globe can do.

Did you find their concern to be deeper and their commitment to be stronger than before the missile test and the nuclear test, and would you speak to this widely held view that I mentioned, that China really could accomplish this if they were of a mind to?

Ambassador BOSWORTH. First, it's very fair to say that we found China very concerned, acutely concerned about what North Korea has done and is doing, both in the nuclear field and in the area of missile technology.

They recognize, perhaps more than anyone else, that these moves by North Korea can have a very deleterious effect on security arrangements throughout Northeast Asia and specifically on the Korean Peninsula, and they realize that this is not in their interests.

Now I can't speak for the Government of China obviously, only to say that our impression when we came away from these very intensive consultations in Beijing was that China sees the current situation and the evolution of that situation in very much the same way that we do.

With regard to what China is or is not prepared to do and what its potential for action might be, I'm very reluctant to comment in a public forum about that. I think that's largely up to China, and I would say we'll have to judge China on the basis of what it does over the next several months.

But China is also a country which has grave concerns about instability in the region, and I think we'll continue to work with them very closely and to try to ensure that we continue, as we have to date, to operate very much on a common front and, indeed, with our other partners in the region.

Senator WICKER. Apart from multilateral approaches to China, can you tell us specifically—are you able to tell us specifically at this open hearing what bilateral actions China has already taken before these tests to resolve this situation with regard to the nuclear weapons, nuclearization?

Ambassador BOSWORTH. I really am reluctant to get into that because it has to do with what China is doing as a sovereign country in its own interests, but I would say that we are satisfied that China is moving in all of its connections within the region, specifically in its connections with North Korea, to give focus and reality to this effort. This is a subject on which there are bilateral communications, but beyond saying that in a general sense, I really don't want to become too specific.

Senator WICKER. OK. Do you reject the assertion by some that in some respects, North Korea serves as a counterbalance for China and that it's not all negative with regard to China?

Ambassador BOSWORTH. Again, I can only comment on the basis of what we learn when we talk to the Chinese, and in that sense, I think I am convinced that they are acutely concerned about what North Korea is doing and see no advantage to them or anyone else from what North Korea is doing.

Senator WICKER. It's clear to me that you're quite satisfied at this point with the response of the Chinese Government in response to these two tests.

Ambassador BOSWORTH. We are very committed to continuing our close consultation with the Chinese as we move forward, and

I think we each are of the belief that that kind of consultation and coordinated action is essential if we're going to bring about the kind of solution to this problem that we think is desirable and needed.

Senator WICKER. We're—the third option we have as a United States is enhancing our military capacity.

What are our options for doing that? Can you discuss those publicly?

Ambassador BOSWORTH. Well, we already have a very strong defense posture in the Western Pacific.

Senator WICKER. How will we enhance that?

Ambassador BOSWORTH. Well, again, I don't mean to be evasive, but I'm not going to get into the business of my colleagues in the Defense Department, and, of course, the President's business ultimately to decide how we might do that, if it's so desired.

Senator WICKER. Mr. Ambassador, are we taking any small steps or have we taken any small steps over time that have improved the United States-North Korean relationship in any respect?

And I ask you about employment across the border. In my home State of Mississippi, we've entertained medical doctors from North Korea and I don't know if that accomplishes much, except for an exchange of ideas.

It seems that those are two small steps that we're taking, and is there any reason for us to be encouraged at all by some other things that are going on?

Ambassador BOSWORTH. I think, Senator, that one of our strengths as a nation is our willingness to engage in humanitarian activities, aside from political considerations.

So I would applaud the efforts of any American entity to try to bring about some improvement in the very desperate condition of the North Korean people. That's the basis on which the U.S. Government has provided food aid over the last several years. It's the basis on which a number of private nongovernmental organizations have operated within North Korea, and we have never, and I don't believe we'll ever in the future, tried to use these activities as leverage for political ends.

We deal with North Korea on an official government-to-government basis, but I personally, and I think I can speak for everyone in the administration and, indeed, in the United States bureaucracy. This willingness to engage in humanitarian activities is one of the hallmarks of our country and one that gives me a great pride.

Senator WICKER. If I might, Mr. Chairman, we would no doubt engage in humanitarian efforts for the sheer good that it does.

Do you have any information that you could share with the committee about who gets the credit among the North Korean people?

Ambassador BOSWORTH. I have no specific information. It's mostly anecdotal. I have reason to believe through my conversations with some of the United States organizations that have been doing this over the years that, by and large, the North Korean people understand from where this assistance is coming and in some cases I think in recent years the food that we've provided even comes with an American flag on the bag which is still there when it's distributed to the people of North Korea.

So I think that the North Korean people probably understand better than we may expect the humanitarian impulses of the United States and its people.

The CHAIRMAN. Thank you, Senator.

Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman.

Mr. Ambassador, thank you very much for being here.

I just want to underscore the point that Senator Wicker made at the beginning of this hearing about the two journalists, and I understand the limitations of this hearing.

I think most of us believe this is just another example of the gross human rights violations by North Korea in taking human pawns to use in some way for negotiations with the United States in regards to their other issues. This is something that we just need to continue to raise, to point out how outrageous that type of action is.

Now, North Korea's human rights record is deplorable generally. The State Department's 2008 Human Rights Report documents a laundry list of the regime's oppressive practices. I have the opportunity to chair the Helsinki Commission and we deal on a regular basis with human rights. One of our points is how we can use those reports in a more effective way to try to help the people of these repressive regimes.

I just want you to perhaps share with us what we can do to try to advance human rights in North Korea. I know we have a long list, but I hope part of it is to try to improve the government's functioning as it relates to basic rights of the people of North Korea.

Ambassador BOSWORTH. I can assure you, Senator, that human rights concerns remain very much on the agenda of our prospective relationship with North Korea, and in the case of the detained journalists, we are exploring all possible ways to bring about their release on humanitarian grounds.

Beyond that, as I indicated in my prepared remarks, I really am not able to comment further, given Privacy Act considerations and other things.

Senator CARDIN. My question was more general than just the two journalists. I certainly want you to do everything you can to secure their releases and I think most of us have expressed our views on it.

But it goes beyond just these two journalists. I mean, the human rights record of North Korea is just outrageous; one of the worst countries in the world.

Ambassador BOSWORTH. Without question.

Senator CARDIN. Yes.

Ambassador BOSWORTH. And we are moving under legislation that was, I believe, passed last year, to designate a new special envoy for North Korean Human Rights and I would expect and hope that that could be done in the next several weeks.

Senator CARDIN. Let me raise one more issue in my time and that is, obviously, the risk of North Korea becoming more sophisticated in nuclear weapons and testing to try to deliver that type of a nuclear weapon. This is a major concern.

But it's also the transfer of that technology or weapons to terrorist organizations or to nonstate actors that have to be a major concern.

Now, I heard you, in response to Senator Kerry's question, talk about potential sanctions that would block the export of weapons. I just really want to get a sense from you as to how effective we can be to make sure that that type of technology is not exported to terrorist organizations or nonstate actors.

Ambassador BOSWORTH. We will do everything possible to monitor that situation and if we believe that there is evidence or that there is an indication of proliferating activities, we will respond in a very strong fashion.

I would note that this is a very difficult thing to do, obviously, and it is one of the major reasons, not the only reason, but one of the reasons why, for the Obama administration, the ultimate goal remains verifiable denuclearization because if the Korean Peninsula is denuclearized, then there is really no risk of proliferation.

But we're not prepared and never will be prepared to settle for a policy which only concentrates on proliferation and ignores the root cause which is the nuclearization of North Korea.

Senator CARDIN. Well, I certainly agree with that. If they have the capacity, the proliferation issue is going to be there, and we know that. The best way to deal with that is the stated policy of the peninsula being without nuclear weapons.

So I fully agree with you. I just wanted to underscore the point. It's not only the direct threat of North Korea having nuclear weapons capacity but what it could be as a supplier to other regions and other organizations, including terrorist groups.

We know that there's already been some smoking guns here, and we just need to understand the risk factors and need to take the appropriate actions. I think proceeding through the United Nations Security Council makes a great deal of sense, and working with our partners and trying to get more effective help from the major countries in the region, including China, is our best chance to secure an effective policy to accomplish our goals of removing this threat.

Ambassador BOSWORTH. I agree with that.

Senator CARDIN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Cardin.

Senator Casey.

Senator CASEY. Thank you, Mr. Chairman.

And, Mr. Ambassador, we're grateful for your service and grateful for your testimony today.

I wanted to raise primarily two issues, maybe three, but the first one centers on China. I was noting in a pertinent part of your statement, that you said China has an important role to play in influencing the path that North Korea follows. You spoke of your trip and that China shared a "deep concern about North Korea's recent actions." Our challenge now is to work with China to turn this commitment into effective implementation of the various Security Council resolutions.

I was going to ask you about Resolution 1718 passed in October 2006 and the enforcement thereof.

Since Resolution 1718 passed, as you know—and we can easily track this—China's aid, trade, and investment in North Korea has expanded.

How can the Obama administration, and you're playing a central role in this, encourage China to enforce U.N. sanctions and take a more assertive posture toward North Korea? Any thoughts on that?

Ambassador BOSWORTH. What happened with regard to 1718, and this is no excuse, but what happened was that soon after that was passed, we found ourselves back in multilateral negotiations with the DPRK.

Now, I think as we go forward, in fact as has already been the case over the last few months, the subject of implementation of U.N. Security Council resolutions, both the existing one, 1718, and now, of course, prospectively the new one, it's very much a subject of active consideration in our relationship, not only with the Chinese but with all other countries of the region.

So I think you can expect that as we move forward, we're going to continue to be very concerned about implementation, and I would expect that other countries will be, as well.

Senator CASEY. Anything that you would recommend? I know you're not in this business of recommending what Congress should do, but any suggestions about how Congress can be helpful on that narrow question of the enforcement of that resolution?

Ambassador BOSWORTH. Well, I think I'm never hesitant to recommend what Congress should do, but I do think——

Senator CASEY. That's OK for today.

Ambassador BOSWORTH. I do think that Congress has a role in this and that as the Congress expresses its views, those can hopefully reinforce the positions that we're taking in bilateral government-to-government relationships with our partners.

Senator CASEY. Well, let's move on. I wanted to move to the question of the six-party talks.

What's your sense of the likelihood of the six-party talks being reengaged in the near term (a) and then (b) if you'd comment on—I know in the statement, you talked about this—that it was helpful for us to have a four-pronged strategy. The fourth prong being if North Korea shows a serious willingness for diplomatic engagement.

How do you see that playing out or how would you like it to play out in terms of the role that any further or near-term six-party talks reengagement would take on as well as any kind of bilateral strategy?

Ambassador BOSWORTH. Optimally, I would like to see the North Koreans signal strongly that they're prepared to return to——

Senator CASEY. Right.

Ambassador BOSWORTH [continuing]. A negotiating mode. The other members of the six-party process, including very importantly the United States, are all prepared to go back to the six-party process.

I think it has proven to be an effective mechanism. Now, it's not perfect and anyone who has been engaged in multilateral diplomatic efforts will tell you that as you expand beyond two, the process becomes ever more complicated by a quantum factor.

But, nonetheless, the six-party process provides a platform within which each of us can examine what the others are doing, where we can resolve issues, where we can coordinate efforts with regard to a common purpose and with regard to North Korea, and so I am hopeful that at some point, preferably not in the too-distant future, North Korea will come back to the table, and I think I can say that all other members of the six-party process share the desire of the United States to see that happen as soon as possible.

Senator CASEY. And getting back to a question Senator Cardin raised about the selling or exporting of technology that relates to nuclear weapons, do you have any sense—I know we all have a concern, that's obvious—that the North Koreans at this moment are engaged in any kind of a strategy to sell that technology?

Do you think it's mostly about what they're doing internally?

Ambassador BOSWORTH. Well, I think that there's no question that the North Koreans are aware of our attitude on this subject, and beyond saying that I believe that they know there would be consequences for any such activity, I really don't want to go much further in my statements.

Senator CASEY. Fair enough. Finally, I know I have a minute left, I'll be real brief on this, the North Koreans, recently announced that they've suspended the 1953 armistice that ended the Korean war.

Is there any practical effect to that? What—how do you see that?

Ambassador BOSWORTH. Well, first of all, it's not—it is not welcomed news, obviously, but the practical effects of it at this point are not vast.

We would like to see them come back into the armistice framework. There are some mechanisms provided by the armistice that will be very helpful, and I have no reason to at this point believe the North Koreans are going to reject those mechanisms.

As I indicated earlier in response to a question, looking out beyond where we are now and in a broader focus, I think the Obama administration believes that it is time to begin talking seriously with the affected countries about a permanent replacement for the armistice of 1953. That was a long time ago and it is in some ways concerning and lamentable that a state of war still technically and formally exists on the Korean Peninsula.

Senator CASEY. Thank you very much.

The CHAIRMAN. Thank you, Senator Casey.

Before Senator Shaheen, I just want to say, committee process, we have Prime Minister Tsevangirai, the Prime Minister of Zimbabwe, coming at 4:30. So we're going to try to compress this after your questioning.

Ambassador, we're going to switch the panels. I want to particularly have time to hear from the second panel of experts, and if I could ask you, Ambassador, to pass by the dais on your way out so we can just grab you for a moment, we'd appreciate it.

And finally, Senator Boxer asked me to mention that she shares the concern about the imprisonment of Laura Ling and Euna Lee and she will be circulating a letter among Senators that she invites them to join in signing with respect to the administration's approach and we look forward to that.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Ambassador Bosworth, thank you for being here and for your service.

To be parochial, I would point out that you're a graduate of Dartmouth and you do us proud in New Hampshire.

Ambassador BOSWORTH. Thank you.

The CHAIRMAN. You can't steal him. He still lives with us. [Laughter.]

Senator SHAHEEN. We're working on that.

According to recently released reports, North Korean exports jumped 23 percent last year compared to the previous year and imports jumped 33 percent.

To follow up a little bit on what Senator Casey was referencing with respect to China, what do these statistics say about our ability to isolate North Korea economically and what effect have sanctions really had on the country?

Ambassador BOSWORTH. First of all, Senator, it's important to note that those are percentage increases off very low base levels. I haven't personally analyzed the data sufficiently to be able to tell you exactly what it means.

I think one thing that it probably reflects, particularly on the import side, is a very high price for oil over most of 2008, and I think that probably has inflated the figures.

I would say that in all likelihood, as we go forward, and particularly as the new U.N. Security Council resolution comes into force, as we continue our efforts to coordinate with China in particular but also with other countries in the region, that I would be surprised to see those rates of increase continue in 2009 and beyond.

But it is true, nonetheless, that North Korea has an economy which in many ways is only barely above the level of subsistence. So that makes it difficult to change its behavior through the use of economic sanctions, although not impossible, and certainly carefully targeted sanctions are a very important part of, if you will, our toolkit in dealing with North Korea.

But we should not be under any illusions that these in and of themselves are going to bring about a sharp reversal of the current situation.

Senator SHAHEEN. Well, you talked about the effort to get North Korea to come back to the table. What's it going to take to do that, and is there any reason to believe that there is an interest or a willingness on their part to come back to the table, to want to engage again in any kind of discussions or negotiations?

Ambassador BOSWORTH. I think that at the moment there is no evidence that they are prepared to do that now. I am, however, as I indicated earlier, of the belief that they eventually will come back to the table.

Then the challenge is in part for us to ensure that we engage with them in a realistic fashion and that we begin considering negotiating measures which will in fact be much more irreversible than some of the measures that have been negotiated with them in the past.

Now I don't underestimate the difficulty of doing that. It is going to be very difficult, indeed, but we need a greater sense of

irreversibility and a greater sense that the things that they agree to now, they're not going to fall away from in the future.

As some of us have indicated, we have no desire or willingness to pay twice for things that North Korea is willing to do.

Senator SHAHEEN. So how do we enforce that kind of irreversibility?

Ambassador BOSWORTH. Enforcement is largely through the negotiating process itself and what we are willing to provide in return, and we'll have to see. There is no magic process by which you do this. It's all very hard work and I think in this case, it all requires very close coordination with the other affected countries of the region.

The United States really can't do this on its own. We can be a leader in the process but we very much need the active collaboration of the other countries involved, our allies South Korea and Japan and our partners China and Russia.

Senator SHAHEEN. Is there any reason to believe that, if the leadership mantle passes to Kim Jong-il's son, that it will result in any kind of a change in the leadership there with respect to decision-making?

Ambassador BOSWORTH. I have no reason to speculate one way or the other on that. As I said earlier, quoting former Secretary of Defense William Perry, I think we have to deal with North Korea "as it is, not as it might be at some point in the future."

Senator SHAHEEN. And is there any information to suggest that there might be disagreements within the North Korean Government regarding their nuclear policy?

Ambassador BOSWORTH. No.

Senator SHAHEEN. Thank you.

The CHAIRMAN. Thank you, Senator Shaheen.

Senator Corker, welcome. I know he's already indicated to me he's not going to ask questions.

So we thank you, Ambassador Bosworth, very, very much, wish you well in the days ahead. We want to stay in close touch and I know we will. I look forward to chatting with you for a moment.

Ambassador BOSWORTH. Thank you very much, Mr. Chairman.

The CHAIRMAN. If we could ask the second panel to quickly come up and take their seats, so we can have a seamless transition, that'd be terrific.

I would ask each of the following panelists if they would try to summarize the comments in 5 minutes or less. Your full statements will be placed into the record as if read in full and this way the committee will have more chance to be able to explore the previous panelist with you and your own thoughts.

We're going to lead off with Victor Cha and then Mr. Revere, Leon Sigal, and then Nancy Lindborg.

So, Victor, if you'd begin, that'd be terrific.

STATEMENT OF DR. VICTOR D. CHA, SENIOR ADVISER AND KOREA CHAIR, CSIS, D.S. SONG PROFESSOR OF GOVERNMENT AND ASIA STUDIES, GEORGETOWN UNIVERSITY, WASHINGTON, DC

Dr. CHA. Thank you, Mr. Chairman, Senator Lugar, members of the committee.

It's a pleasure to appear before you again to talk about North Korea.

I've submitted a statement for the record which I would like to be part of the record, and I wanted to focus my comments more on some of the discussion that took place during Ambassador Bosworth's testimony, in particular some of the questions I think the committee members were asking.

The first was that the committee members were asking how the financial measures worked that were used in 2005 and there, essentially what we did was the Treasury Department issued a financial advisory—something called a section 311—to U.S. financial institutions, to beware of doing business with a particular bank in Macau that was thought to be holding North Korean accounts that were dirty.

That was a very isolated action but it had the effect of causing many other banks around the world and regulatory agencies to ask why is the Treasury Department doing this? And when they understood the reason for it, they then under their own initiative started to either freeze North Korean accounts or ask that these accounts not be held in their banks, such that you had a tremendous ripple effect in the world that greatly impeded North Korea's ability to do business.

Now this isn't the average North Korean because the average North Korean does not have an ATM card that they can take money out of the local Citibank. This affects largely the elite and the leadership.

The second thing I would mention with regard to these financial measures is that when the Bush administration did them, they were largely a U.S. action where the United States was then going to other countries and regulatory agencies in Europe and elsewhere asking them to take certain actions.

The big difference now is that a U.N. Security Council resolution that calls for the designation of certain entities for financial sanctions makes this much more of a multilateral effort, and I think it becomes much easier to gain cooperation among other countries, regulatory agencies and banks.

The second point that I want to make, again addressing some of the questions in the earlier session, is this whole question of the inspections.

To me, although we don't know everything about the U.N. Security Council resolution, to me what's most interesting is the effort, the very strong effort by the administration and by the Perm-5 to develop an inspection regime to counter the proliferation potentially of weapons or fissile material by North Korea.

This is a very important step and institutionalizing some sort of inspection regime would, I think, even have more value added on account of proliferation side than the financial measures themselves.

You assume that the financial measures would be taken after the nuclear tests, but to ramp up a strong inspection regime and counterproliferation regime that the Chinese and Russians would cooperate with would be a very useful thing for the world and for United States security interests.

The big question of how North Korea reacts to these sorts of things—I think clearly when the Bush administration undertook some of these financial measures, many people argued it led to North Korea's first nuclear test and the question arises whether these financial measures will then lead North Korea to their third nuclear test, and I don't think we know the answer to that.

We do know that they need to face consequences, as President Obama said, for their actions and this appears to be the best way to do it.

I would agree with the points that were made earlier about China. I think China is very important on the pressure side to get the North Koreans to return to the negotiating table. There are all sorts of pressure that China can put on North Korea that are not reported in public trade figures. There's a wealth of interaction that takes place between the militaries and the parties of these two countries, between the leaders, individuals in both the militaries and the parties, where they can do things and send very clear messages that are effective in terms of persuading the North Koreans to come back to the table, but at the same time don't look like the Chinese are kowtowing to the United States—because the Chinese never want to be seen as kowtowing to the United States.

Finally, in the few seconds that I have left, while I was part of an administration that took North Korea off the terrorism list, I do think that the administration should seriously consider putting them back on the terrorism list.

We've had ballistic missile tests, a second nuclear test, and then, most recently, the taking of these two American women as detainees in North Korea, and I think that we should do whatever we can, the U.S. Congress, the administration, to get these two women out of the country because no American should be imprisoned in North Korea.

Thank you for your time.

[The prepared statement of Dr. Cha follows:]

PREPARED STATEMENT OF DR. VICTOR D. CHA, SENIOR ADVISER AND KOREA CHAIR, CSIS, AND D.S. SONG PROFESSOR, GEORGETOWN UNIVERSITY, WASHINGTON, DC

Senator Kerry, Senator Lugar, and distinguished members of the committee, it is my distinct honor to appear before you again to discuss the topic of North Korea. I offer my personal thoughts to you today based on my experience working this issue for the White House as deputy head of delegation to the six-party talks, and based on my research on the country as an author and academic.

The latest statements out of North Korea appear to be telegraphing their next set of provocative moves. They have threatened everything from further ballistic missile tests, another nuclear test, withdrawal from the armistice, and cyber warfare. They demand that the U.N. "apologize" for its punitive statement against the April missile launch. They have threatened to retaliate against any actions taken by the U.N. Security Council in response to their May 2009 nuclear test. They refuse to return to six-party talks. And in an unprecedented act, the North Koreans have sentenced two American journalists, Euna Lee and Lisa Ling, to 12 years of hard labor and reform. Should these two women be sent to labor camps in North Korea, they would be the first civilian American nationals ever to suffer such a fate.

In the past, this litany of DPRK threatening actions was always understood as a tactic to get the attention of the United States and to draw Washington into bilateral talks. Indeed, this was often the argument that the Bush administration had to contend with whenever the North undertook provocative actions. And quite frankly, a very unhelpful dynamic developed in which the causes for North Korean bad behavior were pinned on U.S. diplomatic inaction rather than on North Korean intentions.

The Obama administration managed to correct this vicious cycle. It came into office signaling its willingness to have high-level negotiations with Pyongyang through Special Envoy Stephen Bosworth's trips to the region. It has made clear to six-party members its commitment to the talks and to moving forward with the September 2005 Joint Statement. Yet the North continues to threaten and refuses to come to the table.

So what do they really want?

I think the North wants three things. First, the North wants agreements with the United States that are "election-proof." In other words, they want agreements that will outlast a change of presidencies. From their perspective, they have been victimized once before, when in 2000 Pyongyang's leadership viewed themselves at the threshold of a new relationship with the United States that dissipated quite rapidly when the Bush administration took office. Arguably (and ironically), the Bush administration ended its 8 years in office trying to make agreements that were permanent, including the removal of the DPRK from the state sponsor of terrorism list. I believe the administration is correct to consider list reimposition for North Korea after the second nuclear test, but it is more complex to put a country back on the terrorism list than to take them off it.

Second, the North wants arms control negotiations with the United States, not "denuclearization" negotiations. Their model is to turn the six-party talks into a bilateral U.S.–DPRK nuclear arms reduction negotiation, in which the North is accorded a status as a nuclear weapons state. The outcome of such negotiations, in Pyongyang's view, should be "mutual" nuclear arms reductions (i.e., not elimination of DPRK nuclear weapons) and confidence-building measures. During six-party talks, the North Korean negotiators periodically referred to the United States-Soviet strategic arms control negotiations as their empirical referent. The ideal outcome of this negotiation, in the North's view moreover, is a situation like that of India. That is, an agreement in which the North is willing to come back under International Atomic Energy Agency safeguards and monitoring, but it is also assured of a civilian nuclear energy element. Most important, they would want to control a portion of their nuclear programs outside of international inspection, which in their eyes could then serve as their nuclear deterrent. They would certainly want a great deal in return for these "concessions" including energy assistance, economic development assistance, normalized relations with the United States, and a peace treaty ending the Korean war. But on the nuclear side of the equation, they want the rules of the nonproliferation treaty regime essentially rewritten for them as they were done for India.

Third, the North wants a special type of "regime security assurance" from the United States. This stems from the fundamental reform dilemma that the DPRK faces, which I wrote about in Foreign Affairs in 2002: It needs to open up to survive, but the process of opening up leads to the regime's demise. Thus, what Pyongyang wants is an assurance from the United States that it will not allow the regime to collapse during a reform process.

This is different from a negative security assurance. The negative security assurance was given to North Korea in the 2005 Joint Statement when the United States agreed "not to attack North Korea with nuclear or conventional weapons." This statement—astounding on its own merits—led the Russian delegation to pull aside the North Koreans to tell them they believed that the United States was serious, based on their own cold war experience when Moscow could not get such an assurance from Washington. But this is not what the North wants. They want an assurance that the United States will support and bolster the regime in Pyongyang as the Kim Jong-il (or post-Kim Jong-il) regime goes through the dangerous and potentially destabilizing effects of a reform process.

This type of regime assurance must be an even more prescient concern for the North Korean leadership given Kim Jong-il's deteriorating health condition. The likely leadership transition to Kim Jong-un, the youngest of his three sons who lacks any experience or revolutionary credentials, would be an inherently unstable process in the best of times. The fluidity created by this process in combination with the imperative for reform probably makes regime assurance an topline preoccupation.

The first of these North Korean desires is certainly plausible for the Obama administration to do. If negotiations resume in the future, then North Korea's desires for "irreversible" steps by the United States would be met by our own desires for irreversible steps on their nuclear and missile programs. The second and third, however, are more problematic. An India-type deal for North Korea would create a crisis of confidence in the alliance with Japan as well as with the Republic of Korea. Any outcome that even hinted at U.S. tacit acceptance of a de facto residual nuclear capability in the DPRK could potentially undercut the credibility of American ex-

tended deterrence to its allies. The secondary and tertiary consequences of self-help action by Tokyo or Seoul would then have unhelpful ripple effects in the region. A guarantee of U.S. support for a crumbling Kim Jong-il regime would run anathema to every American value and human rights principles. Without any significant improvement in human rights in the country, it is difficult to imagine any President agreeing to proactively support the Kim family's continued rule.

The recent presence of Deputy Secretary Steinberg and Special Envoy Bosworth in the region is commendable. The period afforded by Pyongyang's boycotting of the talks is a good opportunity to demonstrate continued American political commitment to the negotiations and to demonstrate squarely that a failure of the process rests at the feet of Pyongyang and not at those of Washington.

Finally, the human rights abuses of North Korea have become even more clear given North Korean treatment of the two American journalists. Pyongyang may be trying to send a message with their harsh sentencing that they do not want world media drawing attention to or encouraging the outflow of refugees from the country. But Pyongyang has made their point with the sentencing and now needs to release the women as a humanitarian gesture. The longer they hold them, the harder it will be for Pyongyang to release them given the insulated leadership's concerns about not being seen as pressured by the outside world.

The administration and Congress must exhaust every avenue of diplomacy to see to the release of these two women. If necessary, a high-level envoy should be sent to negotiate their return. Given North Korean negotiating habits, this envoy may have little transparency in advance whether his/her mission would be successful. An envoy of sufficiently high level must try, nevertheless. No American should be subject to imprisonment in North Korea.

The CHAIRMAN. Thank you, Mr. Cha. We appreciate it. We'll get back to you on those.

Mr. Revere.

STATEMENT OF EVANS J.R. REVERE, PRESIDENT, THE KOREA SOCIETY, NEW YORK, NY

Mr. REVERE. Thank you, Mr. Chairman.

I'm deeply honored to appear before this committee today. I'm here as somebody who has spent much of the last 40 years working on the Asia Pacific region, much of that on the two Koreas, China, and Japan.

I'm also here today as someone who's been a long-time advocate of diplomacy with North Korea, and through several United States administrations during my career as a diplomat, I made the case that diplomacy, dialogue and mutual respect are a lot more likely to yield the results that America sought and to yield them at a more acceptable cost than were policies based on confrontation, and I base this judgment on years of studying North Korea and on hundreds of hours over some 12 years of negotiating with North Koreans.

And through this experience, I came to understand what motivates the North Korean regime, its strengths and its weaknesses. My advocacy of negotiations with Pyongyang has always been based on two principles: The first is that North Korea's possession of nuclear weapons represents a direct threat to United States national security interests; and the second is that eliminating this threat requires a concerted diplomatic effort aimed at determining whether North Korea was prepared to make a strategic decision to give up its nuclear weapons ambitions in return for things that the United States might be prepared to offer.

In the past, there were many times when American diplomats, including me, had very serious reason to believe that such an arrangement was possible and today, I am disturbed to report, this may no longer be the case.

Today, there are disturbing signs that North Korea may finally have made a strategic decision about its nuclear weapons and that decision may be that Kim Jong-il intends to keep its nuclear weapons and that the North will seek recognition by the United States and the international community that it is now a nuclear weapons state.

I'm drawn to this conclusion because of statements that North Korean officials have made to me over the last year and to virtually every American visitor to Pyongyang in recent months. It's also based on the DPRK's public utterances and actions with respect to its nuclear weapons capability.

I am delighted to have heard so many references to former Secretary of Defense Perry's comment with respect to dealing with North Korea as it is. I accompanied Dr. Perry to Pyongyang on his historic visit in 1999 and I could not agree with that assessment more. Dealing with North Korea as it is, we are faced with the following facts:

Just since the beginning of this year, North Korea has abrogated the 1991 North-South Denuclearization Accords. It has ousted IAEA inspectors from Yongbyon. It has walked out of the six-party talks. It has begun to restart its nuclear facilities at Yongbyon. It has conducted yet another nuclear test and it has done so in contravention of its own formal commitment to denuclearize.

The Obama administration's response to all of this has been measured and calm but firm. Early on, President Obama appointed Ambassador Bosworth, my distinguished colleague of the last 30 years, as his Special Representative, and for anyone who knows Ambassador Bosworth and his reputation, that appointment clearly signaled a United States intention to deal with Pyongyang at a high level and in a positive and pragmatic way. And many Americans who deal with North Korea, including me, were deeply impressed by President Obama's commitment to diplomacy and to resetting relations with adversaries. As a result, we conveyed to our North Korean interlocutors in the strongest possible terms in recent months that the arrival of this new administration was a historic opportunity to put the U.S.–DPRK relationship back on track.

Unfortunately, North Korea has thus far rejected these overtures. In my longer statement, which I respectfully request be made a part of the formal record, I discuss what may be behind Pyongyang's actions and many of those points have been made earlier in this hearing.

But to summarize, I think North Korea's recent behavior may have much more to do with its internal agenda than with its external relations. Whatever the reason, Pyongyang's actions do suggest that North Korea is seeking to establish a troubling and unacceptable new paradigm in relations.

So where do we go from here? I think many of the steps that the administration has taken so far are right on the mark, including closer consultations with allies, and the other steps mentioned by Ambassador Bosworth. Taking all of those steps that have been mentioned by Ambassador Bosworth will exert clear pressure on North Korea, maximize solidarity with our allies and drive home

the message to the DPRK that the path it is on will lead only to further isolation and suffering.

Let me also say that I would strongly recommend that the United States keep the door open to people-to-people cultural and other exchanges with North Korea. These are important ways of exposing North Koreans to the truth and the truth is something that we can employ at great advantage in bringing about future change.

Let me wrap up my comments by just saying it is not too late for North Korea to halt this free fall in relations with Washington and its neighbors. Pyongyang can still choose to accept the outstretched hand that has been offered to it. The United States is prepared, as it should be, to build a better bilateral relationship with Pyongyang based on mutual respect, nonhostility, and the complete end of the North's nuclear weapons program.

In fact, those very principles used to form the core of the DPRK's own negotiating position. I would strongly urge Pyongyang to return to those principles.

Thank you.

[The prepared statement of Mr. Revere follows:]

PREPARED STATEMENT OF EVANS J.R. REVERE, PRESIDENT, THE KOREA SOCIETY, NEW YORK, NY

Karl Marx, who was not right about much, managed to get one thing right when he declared that things occur twice in history, the first time as tragedy, the second time as farce. Both tragedy and farce have characterized America's troubled relationship with the DPRK over the years. Today, there are signs that a new tragedy in this relationship may be in offing, this time of Pyongyang's making.

In 1999, the DPRK left the four-party talks involving the two Koreas, China, and the United States, preferring instead to focus on bilateral dialogue with the United States. Pyongyang also slowed the pace and the productivity of U.S.–DPRK talks that had grown out of Presidential Special Envoy William Perry's historic effort to improve relations between the United States and North Korea.

Both these moves severely reduced the chance that the United States and North Korea would be able to fulfill the potential of the U.S.–DPRK dialogue before the Clinton administration came to a close. The North Koreans were told as much by American officials, including me, at the time.

After a long hiatus in senior-level bilateral talks, the North Koreans reengaged with the United States in October 2000 in a dramatic fashion. A senior officer of the Korean People's Army and First Vice Chairman of the DPRK's ruling National Defense Commission, Marshal Cho Myong Rok, came to Washington and met with President Clinton and his National Security team. In those talks, Cho and his American interlocutors made remarkable progress, reaching understandings on anti-terrorism cooperation and other issues and laying out the basis for a fundamental redefinition of the United States-North Korea relationship.

This visit was followed less than 2 weeks later by Secretary of State Madeleine K. Albright's historic meeting with North Korean leader Kim Jong-il in Pyongyang, where the two conducted far-reaching discussion on the nuclear and missile issues that were at the heart of the United States concerns vis-a-vis North Korea.

Following that meeting, however, an inconclusive and disappointing set of U.S.–DPRK negotiations on missiles in Kuala Lumpur in November 2000 quickly sapped the momentum of the dialogue process. North Korean representatives insisted that only a visit by President Clinton to Pyongyang could resolve the missile issue. That idea was met with skepticism by many U.S. officials, including me, who were unwilling to risk such a visit out of concern that President Clinton could return from Pyongyang empty handed.

As a result, the intense U.S.–DPRK engagement of late-2000 ground to a halt. As many on the U.S. side had feared almost a year earlier, the Clinton administration ran out of time to pursue further diplomacy with Pyongyang, and the press of other priorities, including the Middle East, compelled the President's attention elsewhere.

Seen in retrospect, North Korea's decision to reengage so late in the Clinton administration was a major miscalculation. It meant that a process which had gen-

erated considerable hope and optimism would fall short. It also required the Clinton administration to pass the baton on this issue to the next administration—a step that had tragic (or, some would say, farcical) results.

The story of U.S.–DPRK relations under the 8 years of the Bush administration is a familiar one and need not be repeated here. It was a period marked by mutual hostility and suspicion, broken agreements, lost opportunity, empty threats, miscalculation, and misperception.

What little trust that had been built between Pyongyang and Washington quickly dissipated with the discovery that North Korea was secretly developing an alternative path to nuclear weapons development through uranium enrichment.

Pyongyang's perceived perfidy opened the way for Bush administration figures to dismantle key agreements reached during the Clinton administration. One prime target was the 1994 Agreed Framework, which had successfully capped and frozen the North's known nuclear weapons program, but which was deeply opposed by some critics.

On top of this, a belief by some senior Bush administration officials that the United States should not negotiate with "evil" virtually guaranteed that any serious effort to use diplomacy to resolve differences with Pyongyang would be dead on arrival.

The predictable result of this policy approach was to open the door to North Korea's resumption of its nuclear weapons development and missile programs (it is often forgotten that, among the agreements abandoned by the Bush administration, was the one that had prevented the North from launching medium- and long-range ballistic missiles for 7 years between 1999 and 2006).

The eventual, tragic outcome of this approach was the October 2006 nuclear test which, as a North Korean official told me last year, "changed everything" in terms of how the DPRK viewed itself and its relations with the United States, and made it almost certain that the North would never agree to give up its nuclear weapons.

Seen in retrospect, it is one of the ironies of history that a group of determined "true believers" who helped shape and promote the early Bush administration's North Korea policy effectively served as the handmaidens of Kim Jong-il's nuclear weapons program.

The waning years of the Bush Presidency saw the administration adopt a radically different approach to dealing with Pyongyang, both out of necessity and a search for legacy. Aware that its policy on North Korea had produced only one substantial outcome—the creation of a new nuclear weapons state in Asia—the administration reversed course. And having little to show for its tenure other than years of unilateralist, confrontational, and divisive foreign policy, the administration tried a radically different approach on North Korea to score at least one "win."

The Bush administration's 180-degree shift on North Korea left heads spinning and allies (particularly Japan, but South Korea, as well) dismayed and feeling betrayed. The Bush administration adopted a secretive, compartmentalized approach to diplomacy and policy formulation that kept allies, partners, and elements of the U.S. bureaucracy in the dark about the U.S. game plan.

Ironically, this approach drew on the playbook developed in the first 4 years of the administration, when Secretary of State Powell and other moderates found themselves undermined and outflanked thanks to the work of what one former Bush administration official called a "secret cabal" operating a parallel foreign policy.

The opaque machinations of the late-Bush administration's North Korea policy even puzzled one senior North Korean diplomat, who used a meeting with visiting Americans in early 2008 to convey his own incredulity about the quiet assurances he was receiving from the United States.

During this period, an administration that had once declined even to meet with the "evil" DPRK began to make major concessions to it. It opted to put off until the future the serious task of getting to the bottom of North Korea's proliferation of nuclear technology to Syria and its uranium enrichment efforts. Such was the extent of the administration's policy turnabout that it left even moderates and proengagement advocates worried.

In the end, this approach produced a fragile freeze on the North's nuclear reactor at Yongbyon, the (readily reversible) destruction of the reactor's cooling tower, and a shaky verbal understanding on verification that began to unravel quickly as the Bush administration drew to a close.

This was the situation that the new American President inherited in January 2009. Despite this flawed legacy, President Obama, who has a natural instinct for smart diplomacy and for putting the pressure on the other side to make the mistake of rejecting outreach, deserves credit for managing the North Korea issue well.

Pyongyang, on the other hand, has played things terribly. Miscalculation, misperception, and internal politics appear to be driving the DPRK's policy in a dangerous and self-destructive direction.

The Obama administration's rhetoric on North Korea has been generally measured, careful, and calm, with none of the empty threats and posturing that used to characterize United States statements on North Korea.

The Obama administration reached out, both publicly and privately, to Pyongyang and clearly conveyed the United States intent to use both multilateral and bilateral diplomacy to address the nuclear and other core issues. President Obama appointed Ambassador Stephen W. Bosworth as his special representative to deal with North Korea—a step that signaled the United States intention to deal with Pyongyang at a high level and in a pragmatic way.

The fact that Ambassador Bosworth is one of the few American officials ever to have negotiated successfully with North Korea and to have concluded agreements that actually worked should have been seen by the North Koreans as evidence of United States willingness to deal positively and constructively with them.

During the Presidential campaign, throughout the transition, in his inaugural speech, and subsequently, President Obama has signaled an approach and direction to diplomacy with adversaries markedly different from his predecessor. At some political risk, he has reached out to Iran, Cuba, and to Venezuela.

Listening to the President's rhetoric and observing his followthrough, there is no doubt in this observer's mind that the Obama administration was prepared to deal with Pyongyang in the same way, and the diplomatic signals reflecting this were all blinking green. Based on this, I and many other Americans conveyed to our North Korean interlocutors in the clearest possible terms our sense that the arrival of the Obama administration presented a historic opportunity to put the U.S.–DPRK relationship on the right track.

Regrettably, North Korea seems to have a different agenda for the bilateral relationship. Its actions and response thus far suggest that it is not interested in the diplomacy of reconciliation and cooperation that President Obama seeks to pursue.

The DPRK has responded to the Obama administration with an escalation of its rhetoric, including threats of war. Pyongyang has told visiting Americans that the DPRK should now be acknowledged as a nuclear weapons state and that even normalized relations with the United States will not change its nuclear status.

The North Koreans have said to American interlocutors that the only price it might consider acceptable in return for the elimination of its nuclear weapons program would be the dissolution of the U.S.–ROK security alliance, the removal of United States troops from the Korean Peninsula, and the withdrawal of the United States "nuclear umbrella" from our Korean and Japanese allies.

A senior Bush administration official was once quoted as saying that, as an empire, America was able to "create its own reality." In making some of its recent demands, North Korea appears to be suffering from the same delusions.

As if to confirm its intransigence in even more egregious ways, the DPRK welcomed the inauguration of the Obama administration and the outstretched hand mentioned in President Obama's inaugural address with an announcement of its preparations for a "satellite launch." The DPRK delivered on its threat and conducted a launch, despite clear warnings from the PRC, the United States, and other members of the international community.

The DPRK walked out of the six-party talks and threatened the ROK with war if Seoul joined the Proliferation Security Initiative (PSI). Pyongyang called for the United Nations to apologize for the Security Council President's statement issued after the missile test, and threatened to conduct additional nuclear tests, launch more missiles, and begin a uranium enrichment program if there was no apology. North Korea has now carried out a nuclear weapons test, making good on its promise to do so.

The reasons behind Pyongyang's new belligerence remain unclear. There are signs that the DPRK's behavior may have a lot more to do with its complicated internal politics than with its international agenda. But whatever the cause, the DPRK has adopted a disturbingly hard-line approach toward the United States and others and has embarked on a course of escalating rhetoric and intensified hostility.

On the core issue of whether it will ever give up its nuclear weapons, the DPRK's rhetoric suggests it has finally made a "strategic decision" regarding its nuclear program. Regrettably, that decision appears to be that it will keep its nuclear weapons and seek to have the United States and the international community recognize it as a nuclear weapons state. If that is indeed Pyongyang's goal, it raises an important question about what the purpose of renewed multilateral or bilateral talks would be if they are not aimed at eliminating the DPRK's nuclear weapons.

Meanwhile, the DPRK has announced it is resuming operations at the Yongbyon reactor and nuclear weapons facility. It has ousted IAEA inspectors and American technicians from Yongbyon. This follows North Korean statements to an American visitor earlier this year that the DPRK had "weaponized" all of its existing plutonium.

Faced with this grim situation, the camp of "optimists" in the United States, particularly those who still believe that the DPRK will ever give up its nuclear weapons at the bargaining table, has seen its ranks depleted.

The North's actions and rhetoric have alienated many United States-based Korea hands who had dedicated themselves to the cause of deeper and more comprehensive engagement with Pyongyang. North Korea has always found it easy to anger its enemies. Tragically, it is now perfecting the technique of alienating many of those who aspired to be its friends.

Even in China, one can now hear voices saying that North Korea is increasingly seen as being a net liability for China. Yet the PRC remains hamstrung by its aversion to applying too much pressure on the North, lest it induce collapse.

As suggested earlier, Washington has responded to the DPRK with calm and with a determination not to be provoked. It would seem that the days when bombast and brinksmanship could bring the United States and its allies scurrying to the negotiating table may be over.

Washington has also made it clear to Pyongyang that the door to multilateral and bilateral negotiations remains open if the North wishes to walk through it. That is smart; it will serve to underscore that it is Pyongyang, alone among the six parties, which is rejecting dialogue.

At the same time, the United States has intensified bilateral and trilateral consultation and coordination with its Japanese and South Korean allies; reassured them of United States commitments to their security; and obtained unanimous approval of a UNSC President's statement that reaffirmed sanctions on the North and declared Pyongyang's missile launch a contravention of UNSC Resolution 1718.

Pyongyang's missile launch has stimulated even stronger interest in missile defense in Japan. Even South Koreans are beginning to talk about the need to build their own such defenses. The North's recent nuclear test has given rise to a debate in the Japanese and Korean media about pursuing the "nuclear option" in those countries.

These developments have caught Beijing's attention. The PRC cannot be pleased that its North Korean neighbor and "ally" is compelling other countries in the region to reassess their defense options and take steps that could eventually undermine the effectiveness of China's strategic missile forces.

So where are we now?

The next move is Pyongyang's. If the North's recent rhetoric is any guide (and it should be), we are in for a very difficult period. Military incidents, more missile launches, and even another nuclear weapons test cannot be ruled out, especially since Pyongyang has ruled them all in. Whatever happens, the patience and solidarity of the United States and its allies and partners will be tested in the months ahead.

All of this could be avoided if Pyongyang were to choose another path. However, there are worrisome signs that, for domestic political reasons, Pyongyang either cannot or will not do so.

Regrettably, the DPRK has clearly misread the Obama administration, mistaking a sincere offer of a new relationship and a comprehensive dialogue as a sign of weakness. Instead of agreeing to work with a new American President clearly committed to a refreshing, new approach to international diplomacy, they have sought to test him.

Pyongyang is probably surprised that the Obama administration has not risen to the bait of the North's provocative behavior. North Korea's leader also cannot be pleased that the DPRK's rhetoric and actions have not only failed to divide the United States from its allies, but on the contrary have helped the United States, South Korea, and Japan work more closely together than they have in 8 years. And the unanimous support in the U.N. Security Council for the recent President's statement probably cannot be sitting well in Pyongyang.

Despite the dark place it finds itself in, there is still time for North Korea to repair the damage. Perhaps the DPRK's leader can begin to extricate his country from the box it is in by questioning the advice he is getting.

One question he might ask his subordinates is: Why did you have me pursue policies which have angered the Obama administration, made the DPRK look like a international pariah, united America and its Asian allies as never before, driven food aid workers and their assistance out of the country, prompted China to support a UNSC statement, shaken the PRC–DPRK alliance relationship, and made Cuba,

Venezuela, and even Iran look more reasonable in the eyes of the world than the DPRK?

The North can still choose to respond positively to the conciliatory diplomacy of the Obama administration. Inviting President Obama's Special Representative for North Korea Policy to Pyongyang would be a good start. Perhaps the North's leader might also consider dispatching a high-level representative to Washington to shake President Obama's outstretched hand. Such a bold step has the potential to yield a better future for North Korea than will slapping that hand away. It will also help us avoid another tragic turn in U.S.–DPRK relations.

The CHAIRMAN. Thank you very much, Mr. Revere.

Mr. Sigal.

STATEMENT OF LEON V. SIGAL, DIRECTOR, NORTHEAST ASIA COOPERATIVE SECURITY PROJECT AT THE SOCIAL SCIENCE RESEARCH COUNCIL, BROOKLYN, NY

Mr. SIGAL. Thank you, Mr. Chairman.

The CHAIRMAN. Pull the mike down and a little closer.

Mr. SIGAL. Thank you, Mr. Chairman, Senator Lugar, members of the committee.

You have my written statement which I'd like entered into the record. It can be summed up in three very short points and leave lots of room for questions.

First, we do not know many things we need to know about the North's nuclear program or about the way the regime works. We do not know what many people assert which is that the North won't give up its nuclear weapons.

The fact is the more we say they won't, it only encourages our allies to fear that we are not trying to get the North to give them up through serious negotiations. So I would say that the only way we can find out what we need to know is sustained diplomatic give and take and we do not know whether the North is ready for that, but we've got to find out.

Second, with respect to change inside North Korea, collapse is certainly a hope but hope is not a strategy. It seems to me the only strategy that can bring about much-needed change inside North Korea, however gradual and grudging, is sustained engagement and people-to-people exchanges, like the New York Philharmonic that the Korea Society arranged, where the North Korean people were exposed to something that undercut years of North Korean propaganda of hostility to the United States.

There was the Philharmonic playing and there were tears in the eyes of some of those North Koreans in the audience and everybody in North Korea was exposed to it on their own television sets. It's an interesting way, however gradual, nothing grand, to bring about change.

Finally, it seems to me the heart of our problem is that despite all the talk about sanctions and military possibilities and all options remain on the table, the sad fact is that we lack leverage to force the North Koreans to do what we want them to.

The only way I know to get leverage is through engagement that gets them dependent on us over time and then if they don't live up to their obligations, those things can be stopped or withdrawn. I know of no other way to get leverage. It is a terrible fact that we're at the mercy to some extent of a regime that is hateful but we have

to learn how to deal with it and a diplomatic strategy seems to me the only one that has a realistic chance of getting anywhere.

Thank you.

[The prepared statement of Mr. Sigal follows:]

PREPARED STATEMENT OF LEON V. SIGAL, DIRECTOR, NORTHEAST ASIA COOPERATIVE SECURITY PROJECT AT THE SOCIAL SCIENCE RESEARCH COUNCIL, BROOKLYN, NY

Mr. Chairman, members of the committee, thank you for inviting me to appear before you today. I have been involved in the North Korean nuclear and missile issue for the past 15 years, including conducting Track II meetings with senior North Korean officials, as well as with senior officials of the other six parties.

I would like to address three issues today: (1) What we know and don't know about North Korea's intentions and the future of the current regime in Pyongyang; (2) our desire for change in North Korea and how to bring it about; and (3) our lack of leverage over North Korea and how to increase it. To address these issues, we need a new strategy.

UNCERTAINTY

When we look at North Korea, we are rightly repelled by goose-stepping troops and gulags, a regime motivated by paranoia and insecurity to dig tunnels and menace its neighbors, a command economy that makes little for the world to buy except missiles or other arms, a leadership that mistreats its people, a state that committed horrific acts in the past like its 1950 aggression and the 1983 Rangoon bombing that barely missed South Korea's President and killed 17 members of his entourage. It is one of our core beliefs that bad states cause trouble in the world. North Korea, with its one-man rule, cult of personality, internal regimentation, and dogmatic devotion to juche ideology is a decidedly bad state. That's what we know about North Korea.

A wise analyst once wrote, "Finding the truth about the North's nuclear program is an example of how what we 'know' sometimes leads us away from what we need to learn."

What do we need to learn?

There are widespread doubts about the accuracy of North Korea's nuclear declaration. We do not know with any precision how much plutonium North Korea has produced. Nor do we know the extent of its uranium enrichment effort. Nor are we sure whether North Korea has deliverable nuclear weapons or not. It says it does but its 2006 test did not demonstrate that. We do not yet know if its recent test did, either.

What has North Korea been up to in nuclear and missile diplomacy with the United States? Again, we do not know. The prevailing assumption in Washington is that Pyongyang has always been determined to arm. Such an aim seems understandable enough for a militarily weak and insecure state, but it fails to explain two significant anomalies in its nuclear and missile activities over the past two decades:

(1) As of today, the only way for North Korea to make the fissile material it needs for weapons is to reprocess spent nuclear fuel from its reactor at Yongbyon and extract the plutonium it needs for nuclear weapons. Yet North Korea stopped reprocessing in the fall of 1991, some 3 years before signing the Agreed Framework, and did not resume until 2003. It stopped again in 2007 and did not resume until now. It thereby produced significantly less plutonium for nuclear warheads than it could have.

(2) The only way for North Korea to perfect ballistic missiles for delivering nuclear warheads is to keep testing them until they work reliably. Yet the North has conducted just three sets of medium-range missile tests and three tests of longer range Taepodong missiles in 20 years.

The timing of when it started and stopped its nuclear programs and conducted its missile tests suggests it has been pursuing a two-track strategy to ease its insecurity: On the one hand, arm to deter the threat of attack, and on the other hand, restrain arming as inducement for a fundamentally new political, economic, and strategic relationship with the United States, South Korea, and Japan. We do not know if that strategy has changed.

Pyongyang's basic stance is that as long as Washington remains its foe, it feels threatened and will acquire nuclear weapons and missiles to counter that threat. But, it says, if Washington, along with Seoul and Tokyo, moves to end enmity and reconcile with it, it will no longer feel threatened and will not need these weapons.

Does Pyongyang mean what it says? Most observers doubt it, but the fact is, nobody knows, with the possible exception of Kim Jong-il. We need to find out. And

we need to find out exactly what he wants in return. The only way to do that is to probe through sustained diplomatic give-and-take—offering the DPRK meaningful steps toward a new political, economic, and strategic relationship in return for steps toward full denuclearization. All the speculation that it will never give up its weapons only encourages Pyongyang to think it won't have to—and worse, encourages our allies to think we are abandoning our goal of complete denuclearization.

A second major source of uncertainty is the future of the North Korean regime if Kim Jong-il should die or be incapacitated. One thing is clear, whatever happens to him will make the North's nuclear and missile programs more of a risk. Why take the chance that his successor might be less able to make and keep a nuclear or missile deal or control North Korea's nuclear weapons and material? Doubts about Kim Jong-il's health make diplomatic give-and-take more urgent. Managing or ignoring North Korea, as some in Washington favor, is not a prudent policy, especially if the North becomes more unmanageable.

CHANGE IN NORTH KOREA

Some believe that the collapse of North Korea is the only way to capture the North's nuclear and missile programs. When and if that might happen is unknowable. Waiting for its collapse while it adds to its nuclear and missile capacity is not prudent. Even worse, collapse would run serious risks that fissile material and missile technology end up in the wrong hands. Collapse is certainly a hope, but hope is not a strategy.

Nor is regime change a credible strategy because none of North Korea's neighbors seem willing to run the risks of collapse. The only strategy that can bring about needed change inside North Korea, however gradual and grudging, is sustained engagement and people-to-people exchanges. That will require support for NGOs to work on the ground in North Korea and to bring North Koreans here and send Americans there for cultural, scientific and educational exchanges and business, agricultural, legal, financial, and other training.

A good example was the concert given by the New York Philharmonic in Pyongyang, which received a warm, at times emotional reception that was broadcast nationwide in North Korea—a useful counterpoint to the steady diet of anti-United States propaganda Pyongyang usually feeds to its populace.

Instead of encouraging expanded access, however, we have tried to withhold such exchanges for leverage, for instance, holding up a return visit to New York by North Korea's state symphony orchestra. Doing so gives us little leverage while denying us the benefit of engagement that can stimulate change inside North Korea.

LEVERAGE

That example illustrates a larger point. The DPRK has nuclear and missile leverage. We are reduced to withholding visas for a symphony orchestra. That underscores just how little leverage we have to punish North Korea or compel its compliance. Military action has always been too risky because Seoul remains hostage, within range of North Korean artillery. Sanctions have never caused Pyongyang enough economic pain to make it yield to our will because none of the North's neighbors have been willing to impose stringent enough sanctions to risk collapse. And the North regards sanctions as confirmation of its conviction that we remain its foe, giving it a pretext to continue arming.

While China will support tougher U.N. sanctions, Chinese officials have repeatedly stated that it has no interest in seeing either nukes or collapse in North Korea. Those who seek to induce or pressure China to cut off all food and fuel to the North want it to act contrary to its interests. This is hardly the time to put our relations with China in jeopardy over North Korea.

The only way to stop North Korea from testing nuclear weapons and missiles and making more plutonium is diplomatic give-and-take, whether bilateral or six-party. That was what President Bill Clinton decided after the North launched its Taepodong-1 in 1998 in a failed attempt to put a satellite in orbit. Talks in 1999 led the North to accept a moratorium on test launches. When Kim Jong-il met with Secretary of State Madeleine Albright in October 2000, he offered to end not only tests, but also deployment and production of longer range missiles.

President Bush also opted to negotiate in earnest after North Korea conducted its first nuclear test on October 9, 2006. Just 3 weeks later, on October 31, U.S. negotiator Christopher Hill met bilaterally with his DPRK counterpart and proposed a compromise end to the financial sanctions imposed in 2005. Negotiations yielded agreements that put Pyongyang on a path to disable its plutonium facilities at Yongbyon.

In neither instance, however, did we sustain our promising diplomatic course, so we do not know how far we could have progressed toward our goal of eliminating North Korea's nuclear and missile programs and weapons.

We do not know now, either.

The step-by-step approach we have taken in six-party talks so far has failed to build much trust or give either side much of a stake in keeping any agreement, leaving Pyongyang free to use its nuclear and missile leverage. And use that leverage it has: Whenever it believed the United States was not keeping its side of the bargain, North Korea was all too quick to retaliate—in 1998 by seeking the means to enrich uranium and testing a longer range Taepodong-1 missile, in 2003 by reigniting its plutonium program and giving nuclear help to Syria, and in 2006 by test-launching the Taepodong-2 along with six other missiles and then conducting a nuclear test.

The lesson that North Korea learned from 1998, 2003, and 2006, but we have not, is that we lack the leverage to coerce it to do what we want or punish it for its transgressions.

It is applying that lesson now. On June 26, 2008, North Korea handed China a written declaration of its plutonium program, as it was obliged to do under the October 2007 accord. North Korea reportedly declared it had separated 38kg of plutonium, a total that was within the range of United States estimates, though at the lower end. In a side agreement with Washington, Pyongyang committed to disclose its enrichment and proliferation activities, including help for Syria's nuclear reactor. Many in Washington, Tokyo, and Seoul questioned whether the declaration was "complete and correct," as required by the October 2007 agreement. The crux of the dispute is how much plutonium the North had separated before 1991. Here again, we do not know for sure.

The United States decided to demand arrangements to verify the declaration before completing the disabling and moving on to the dismantlement phase of talks. The trouble was, the October 2007 agreement contained no provision for verification in the second phase of denuclearization. The day the North turned over its declaration, the White House announced its intention to relax sanctions under the Trading with the Enemy Act and to delist the DPRK as a "state sponsor of terrorism"—but with a caveat. As Secretary of State Rice told the Heritage Foundation on June 18, "[B]efore those actions go into effect, we would continue to assess the level of North Korean cooperation in helping verify the accuracy and completeness of its declaration. And if that cooperation is insufficient, we will respond accordingly." She acknowledged Washington was moving the goalposts: "What we've done, in a sense, is move up issues that were to be taken up in phase three, like verification, like access to the reactor, into phase two."

In bilateral talks with the United States, North Korea then agreed to establish a six-party verification mechanism and allow visits to declared nuclear facilities, a review of documents, and interviews with technical personnel. These commitments were later codified in a July 12 six-party communique. Undisclosed at the time, the North also agreed to cooperate on verification during the dismantlement phase.

That was not good enough for Japan and South Korea. They demanded a written protocol, and President Bush agreed. The United States handed the North Koreans a draft on intrusive verification and on July 30 the White House announced it had delayed delisting the DPRK as a "state sponsor of terrorism," until they accepted it.

North Korean reaction was swift. Retaliating for what it took to be a renege on the October 2007 accord, it suspended disabling at its plutonium facilities at Yongbyon on August 14. It soon began restoring equipment at its Yongbyon facilities. On October 9 it barred IAEA inspectors from its Yongbyon complex.

Disabling was designed to whittle away North Korea's nuclear leverage by making it more time-consuming and difficult for it to resume making plutonium. With the disabling in jeopardy, Hill met his DPRK counterpart Kim Gye Gwan in Pyongyang October 1–3, armed with a revised draft protocol. Stopping short of accepting it, Kim agreed to allow "sampling and other forensic measures" during the dismantlement phase at the three declared sites at Yongbyon—the reactor, reprocessing plant, and fuel fabrication plant—which might suffice to ascertain how much plutonium the North had produced. If not, he also accepted "access, based on mutual consent, to undeclared sites" according to the State Department announcement.

President Bush's decision to proceed with the delisting angered the Aso government. Japan and South Korea insisted on halting promised energy aid without more intrusive verification arrangements. In the face of allied resistance, the Bush administration backed away from the October 2007 six-party accord. On December 11, the United States, Japan, and South Korea threatened to suspend shipments of energy aid unless the DPRK accepted a written verification protocol. In response to

the renege, the North stopped disabling. In late January it began preparations to test-launch the Taepodong-2 in the guise of putting a satellite into orbit.

We then imposed new sanctions, giving Pyongyang a pretext to demonstrate its nuclear and missile leverage and add to it. It is doing just that by reprocessing the spent fuel unloaded from the Yongbyon reactor in the disabling process. Extracting another bomb's worth of plutonium put it in a position to conduct another nuclear test without reducing its small stock of fissile material, which it has now done. It is also threatening to restart its uranium enrichment effort, which could take years to produce significant quantities of highly enriched uranium. Much worse, in just a matter of months, it could also restart its reactor to generate more spent fuel for plutonium. That would give it what it does not yet have—enough plutonium to export. That could also trigger a nuclear arms race in Asia.

The experience of the last 8 years makes North Korea far less confident about its effort to reconcile with us and our allies and much more confident about acquiring additional nuclear and missile leverage. That makes it much more difficult for us to get Pyongyang to reverse course. In short, we do not know if we can get Pyongyang back on the road to denuclearization or how far down that road we can get. We need sustained diplomatic give-and-take to find out.

A NEW STRATEGY

The current crisis prompts a troubling question, how can Washington avoid having to react under pressure from Pyongyang, especially when the process of denuclearization could take years to complete?

Accusing a self-righteous North Korea of wrongdoing and trying to punish has been tried time and again by the last three administrations over the past two decades. That crime-and-punishment approach never worked then and it won't work now.

We need a new strategy, one that focuses sharply on the aim of reducing North Korea's leverage while adding to our own by easing its insecurity and expanding engagement and exchanges. Deeper engagement not only encourages change in North Korea. It is also our only way to enhance our leverage. North Korea may be willing to trade away its plutonium and enrichment programs brick by brick. We should be willing to give it some of what it wants in return. That would reward good behavior. It would also give us leverage to withhold if the North does not follow through on its commitment to disarm.

To probe with an open mind what North Korea wants and what it will do in return, we need an internal policy review that crafts a roadmap to put more for more on the negotiating table—not a grand bargain, but a comprehensive list of sequenced reciprocal actions to normalize relations, sign a peace treaty, end enmity and reconcile with North Korea, easing its insecurity and isolation. In return for steps toward a new political, economic, and strategic relationship with Washington, Pyongyang needs to satisfy international norms of behavior, starting with a halt to exports of nuclear and missile technology—along with nuclear and missile tests—and then move to eliminate its nuclear and missile programs. In negotiating, we need to be clear about what we want at each step and honor the terms of any agreements we reach with Pyongyang.

One possible roadmap of more for more might look like this:

- Send a high-level emissary, someone with the stature of former President Bill Clinton or former Secretary of State Henry Kissinger who can get access to Kim Jong-il, and propose a little more for more:
  - Complete the disabling of the plutonium facilities and the disposal of replacement fuel rods in return for delivering promised energy assistance on schedule and move on to permanent dismantlement.
  - Begin verification of its plutonium production in return for additional energy aid.
  - As inducement to a moratorium on nuclear and missile tests and exports, begin a peace process on the Korean Peninsula with a declaration signed by the United States and North Korea, along with South Korea and China. In that declaration Washington would reaffirm it has no hostile intent toward Pyongyang and formally commit itself to signing a peace treaty ending the Korean war when North Korea is nuclear-free. It would then commence to negotiate a series of peace agreements on confidence-building measures.

After consultations with South Korea and Japan, propose a lot more for a lot more:

- Deepen economic engagement with agricultural, energy and infrastructure aid bilaterally, multilaterally and through international financial institutions as in-

ducement to an agreement to dismantle its nuclear facilities and its medium and longer range missile programs along the lines of October 2000.
- Begin constructing powerplants as North Korea dismantles its nuclear programs and begins to turn over its nuclear material and weapons.
- Establish full diplomatic relations as Pyongyang dismantles its fuel fabrication plant, reprocessing facility, and reactor at Yongbyon with the aid of Nunn-Lugar funding, carries out the verification of its plutonium production, adopts a plan for verification of its enrichment and proliferation activities, and holds talks with the United Nations on human rights issues, such as opening its penal labor colonies to visits by the International Committee of the Red Cross, and makes progress on allowing free exercise of religion.
- Commence a regional security dialogue that would put North Korea at the top table and eventually provide negative security assurances, a multilateral pledge not to introduce nuclear weapons into the Korea Peninsula (a nuclear-free zone), and other benefits to its security.
- Complete powerplants, perhaps including a replacement nuclear reactor, and sign a peace treaty once the North gives up all its nuclear material and weapons.
- Hold a summit meeting with Kim Jong-il in return for its disposal of some plutonium—at a minimum the spent nuclear fuel removed during the disabling process. At that meeting conclude agreement on the above roadmap, which would then be subject to six-party approval.

By getting Kim Jong-il's signature on such a deal, President Obama would give Pyongyang a tangible stake in becoming nuclear-free. It would also give Washington its first real leverage: U.S. steps could be withheld or reversed if—and only if—Pyongyang doesn't follow through on commitments to give up its nuclear programs and arms.

Will our allies go along with this strategy? Whatever the allies' misgivings about United States diplomatic give-and-take with the DPRK, letting North Korea's nuclear and missile programs run free will only aggravate alliance relations. United States failure to deal with the North Korean threat has already sowed unease in some quarters of Tokyo and Seoul about how much they can rely on Washington for their security. Their unhappiness with U.S. policy can best be addressed neither by deferring to their wishes nor by running roughshod over them, but by frank and thorough consultation. That includes serious discussion not only about our negotiating proposals but also about their security needs as long as North Korea remains nuclear-armed. Above all, it means making clear to our allies that we will not accept a nuclear-armed North Korea and that we remain committed to our goal of complete denuclearization of the Korean Peninsula.

The CHAIRMAN. Thank you very much. Thanks for the summary. Ms. Lindborg, thank you very much.

STATEMENT OF NANCY LINDBORG, PRESIDENT, MERCY CORPS, WASHINGTON, DC

Ms. LINDBORG. Thank you. Thank you, Chairman Kerry, Ranking Member Lugar, distinguished members of the committee.

I'm pleased to be here today. We're certainly gathering at a time of increased tension and I would like to focus my comments today on a slightly different topic as a representative of a nongovernmental organization.

I've submitted comments for the record and I'll try to summarize in a few key points.

The CHAIRMAN. Thank you.

Ms. LINDBORG. The first is that there is an ongoing continuous engagement with U.S. nongovernmental organizations on meeting critical humanitarian needs within the DPRK.

I've been involved in working on these issues since the emergence of the serious famine in the mid-1990s when my organization, Mercy Corps, responded to those very critical needs.

There have been a handful, perhaps a dozen, of NGOs that have stayed engaged since then working on food security, health, water,

sanitation programs, and sponsoring delegations and exchanges that work on technical, understanding, improved understanding between our peoples.

This decade-plus of experience has enabled us to understand the realities, the constraints, the opportunities of how we can work together, and how we can understand the technical opportunities for improving the lives of the North Koreans and improving mutual understanding.

Since the famine of the mid-1990s where estimates of those who died range from 280,000 to more than 2 million, the acute famine has definitely subsided. However, chronic food shortages remain and the U.N. estimated as of November of last year that there were still approximately a 1.8 million metric ton food shortfall which would leave 8.7 million of the most vulnerable without adequate food intake and nutrition.

It's not famine conditions but it's chronic malnutrition. So my second point is that the need remains.

My third point that I'd like to highlight is a brief description of the USAID-supported food program that recently ended. This was a groundbreaking program that shows us a way of how we can constructively engage on meeting real humanitarian needs that we understand exist. In 2008, USAID negotiated a protocol with the DPRK government in which there would be provision from USAID, 500,000 metric tons of American food. Of this, 400,000 went through the World Food Programme and 100,000 went to a consortium of five NGOs.

Mercy Corps was the lead. We were joined by World Vision, Global Resource Services, Samaritan's Purse and Christian Friends of Korea. All five of us brought more than a decade of experience in working on the ground in providing humanitarian assistance to North Korea.

The groundbreaking aspect of this program was that the agreed-upon protocol between the two governments served as the basis for the NGO-negotiated agreement with our counterparts in the DPRK. This enabled us to, in a more accountable way than ever before, identify the need. We identified 900,000 children, elderly, pregnant and lactating women in the two provinces of our designated area as the beneficiaries of the food.

We were able to indicate at all points of the distribution who the donor was and people were very clear that the food was a gift of the American people. We had significant levels of access from the port to the warehouses to the institutions, including household visits, and we were able to field a team of 16 food monitors in-country for the entire 9 months of the program.

Most importantly, this program serves how we can constructively work with our North Korean counterparts to develop and deliver a program that begins to meet international standards of food delivery based on needs that we agree upon and an approach that we jointly implement.

As I note in my testimony, regrettably, this program was ended early at the request of the North Korean Government on March 31. However, all five of the participating NGOs as well as our other NGO colleagues continue our work, meeting humanitarian needs

within North Korea, still focused on the very real needs around food security, health, water, sanitation.

We all believe that humanitarian engagement is vital to maintain. The political tensions between the United States and DPRK governments remain well known. Humanitarian assistance has been one of the few areas of continuous positive steps forward throughout the last decade. We believe these humanitarian programs meet critical human needs and demonstrate the best of the American people, maintain open lines of communication with the North Korean people.

Thank you very much.

[The prepared statement of Ms. Lindborg follows:]

PREPARED STATEMENT OF NANCY LINDBORG, PRESIDENT, MERCY CORPS, WASHINGTON, DC

Mr. Chairman and members of the committee, Chairman Kerry and Ranking Member Lugar, and distinguished Senators, thank you for the invitation to speak today. We are gathering at a time of particularly high tension between the United States and DPRK governments, as my expert colleagues will be able to address. I would like to focus my comments today on the experiences of United States non-governmental organizations (NGOs) in addressing critical humanitarian needs within North Korea.

I have been working on assistance programs in North Korea since my organization, Mercy Corps, first became involved in 1996. Even in the face of shifting political dynamics, humanitarian assistance has been effective through the last decade at making continuous progress in meeting real human needs while also promoting constructive communication with the North Korean people.

In particular, I would like to highlight the recent USAID-supported food program that fed 900,000 North Korean children, pregnant women, and elderly who needed food. A precedent-setting agreement between the United States and DPRK governments gave the NGOs greater ability than ever before to ascertain need and accountably deliver food to the most vulnerable through a 16-person in-country team.

This program provided an important model for how we might normalize humanitarian assistance based on international humanitarian standards. It also demonstrated the spirit and goodwill of the people of the United States toward the people of North Korea.

A DECADE OF NGO HUMANITARIAN ENGAGEMENT WITH THE DPRK

Many U.S. NGOs, including my organization Mercy Corps, first became involved with the DPRK in 1996 during a time of serious famine. The NGOs mobilized to provide urgent relief assistance to the people of North Korea as news of the famine surfaced, with strong support from private donors.

In 1998, the USG embarked upon its first large food assistance program in response to the famine, which continued through the year 2000. A group of U.S. NGOs known as the Private Voluntary Organization Consortium (PVOC) monitored a portion of that food assistance. The lessons we learned from that 3-year food program proved invaluable for designing and implementing the most recent food program.

Since those famine years, approximately a dozen U.S. NGOs have remained continuously engaged in providing humanitarian assistance. We have worked to build and maintain relationships within North Korea that have enabled us to work ever more effectively. Our programs address basic human needs such as health care and disease prevention, water and sanitation and food security. We have sent and received many dozens of delegations over the years, providing both technical education and, importantly, enabling people-to-people connections that seek to improve mutual understanding and communication.

We have all relied upon private funding and the interest and support of our communities. For Mercy Corps, dedicated volunteers in our hometown of Portland, OR, have been steadfast supporters. They have given technical and financial assistance, traveled to North Korea and provided hospitality to visiting groups of farmers and members of our North Korean partner agency.

As a result, many NGO workers have developed an understanding of the opportunities, constraints and realities of operating within North Korea. We have been able to work with the Health and Agricultural Ministries, as well as with provincial and

county officials. We have also helped North Koreans better understand how we operate and deliver needs-based programming. We are all mission-driven organizations dedicated to provision of humanitarian assistance as well as to the importance of building bridges of understanding between people.

USAID FOOD PROGRAM 2008–2009

The acute famine has subsided since the late nineties, but North Korea remains highly food insecure. In November 2008, the U.N. estimated that this year's food gap would equal approximately 1.8 million metric tons. This means that over 8.7 million elderly, pregnant and lactating women, children in nurseries, kindergartens, and primary schools, children in residential institutions and in pediatric wards would require food assistance to meet their basic food needs.

In 2008, officials from USAID, the National Security Council and the Department of State, working with officials from the Ministry of Foreign Affairs of the DPRK, negotiated a protocol that outlined the delivery of 500,000 MT of food over 12 months according to international standards for food programs. This groundbreaking protocol served to significantly normalize humanitarian assistance programs in the first USG food program since 2000.

For this program, 400,000 MT of food was allocated to the U.N. World Food Program, while 100,000 MT were allocated to a consortium of five U.S. NGOs. All five NGOs—World Vision, Global Resource Services, Christian Friends of Korea, Samaritan's Purse, and Mercy Corps as lead—brought more than a decade of experience in humanitarian work inside North Korea, with significant understanding of the culture and longstanding relationships.

The U.S. NGOs negotiated a separate Letter of Understanding (LOU) with the Korea America Private Exchange Society (KAPES), our partner agency within the DPRK, based upon the protocol agreement between the two governments. The LOU outlined in much greater detail the specifics of how the program would operate. The official protocol and resulting LOU equipped us to mount a program based on identified humanitarian need and international standards, with significant levels of access to all points of food delivery.

Key provisions of our LOU included an initial needs assessment effort, signage at all distribution points that indicated the food was a gift from the American people and USAID, an agreed upon list of institutions and individuals targeted to receive food, the ability to track the food as it went from port to warehouse to distribution point, all the way to the beneficiary's home with a minimum of 24 hours notice; and the inclusion of Korean speakers on our team. We established two offices in the provincial cities of Huichon and Sinuiju plus a main office in the diplomatic compound in Pyongyang. These provisions are well in line with international standards.

The program began with a rapid food security assessment in June 2009, conducted over an 18-day period in our two target provinces of Chaggang and North Pyongyang (see attached map). The 10-person team interviewed county officials, the heads of kindergartens, nursery schools, orphanages and warehouses and conducted household visits. This assessment affirmed chronic levels of malnutrition within the DPRK. Critical key findings included:

- The DPRK public distribution system is the primary source of food for most North Korean citizens, with a stated provision of 600 grams of cereals per person per day. Rations had been reduced to 350 grams in April, then down to 250 grams in May and 150 grams in June, providing each recipient with a handful of rice or corn per day;
- Cereal stocks were anticipated to be exhausted by the end of June 2008, in 24 of the 25 counties surveyed;
- A decade of food insecurity had resulted in chronic low birth weights, cases of malnutrition among children under 5 years of age and greater vulnerability to other illnesses.

As a result, we identified a group of 900,000 "most vulnerable" beneficiaries within the 25 counties where the NGOs would operate, focusing on children under 5 years of age, pregnant and lactating women, and the elderly.

Over the next 9 months, we fielded a team of 16 program monitors who lived for up to 8 months in country, 12 of whom lived in the two provincial field offices over the tough winter months. This team was supported with dozens of visits by technical support personnel.

We trained more than 100 provincial and county officials in handling food as it transited from the port to their areas. We encountered numerous problems associated with moving large amounts of food, including bag miscounts, spillage and warehouse storage issues. Importantly, we were able to work with local officials to rem-

edy these situations. Our ability to identify and jointly solve problems as they arose was an important positive feature of the program.

We brought in 12 vehicles for the program, which were plated with yellow license plates that read AF1 through 12, signifying either American friends or American food, depending upon the translation—or both together as we sometimes heard.

Our teams saw undeniable need among the people we served, and they also heard many thanks from the thousands of North Koreans with whom they interacted. During household visits, team members were welcomed graciously and usually offered the warmest seat of the house as a gesture of respect.

Throughout the program, we frequently had to reaffirm or clarify key provisions of the LOU. Many times there were differing interpretations of critical issues. However, we were able to work constructively with our DPRK counterparts to solve problems as they arose and, as a result, meet the food needs of nearly a million of the most vulnerable, with a greater level of accountability and certainty than ever before.

I would like to share a few critical factors that contributed to the success of this program—factors that have been the foundation of most NGO humanitarian programs:

- Significant knowledge of the culture and country, including longstanding relationships with individuals within KAPES, enabling us to understand and solve problems that surfaced along the way;
- Ability to focus on technical level problem-solving;
- Consistency in interaction and focus on humanitarian issues;
- Follow through on commitments;
- Flexibility when possible, within an overall framework based on humanitarian need and action.

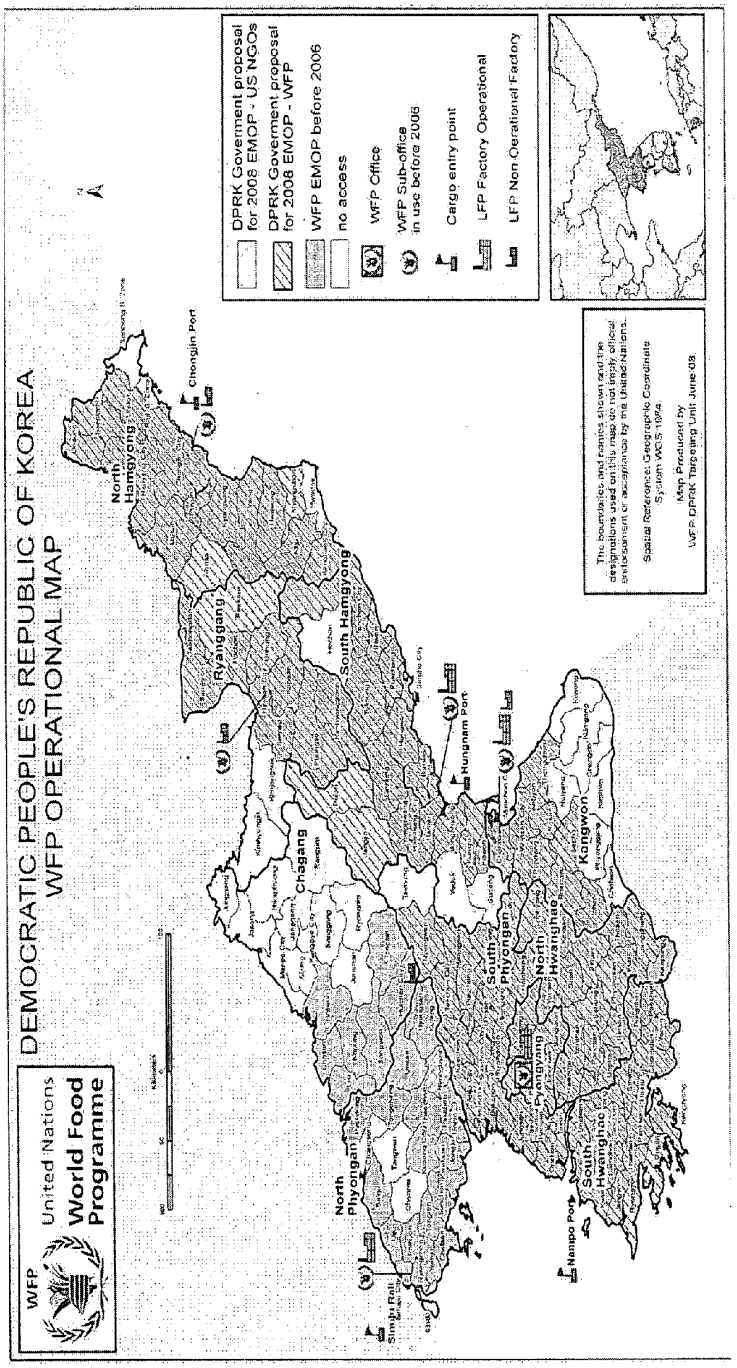
The food program was, regrettably, prematurely ended on March 31, 2009, at the request of North Korean authorities. The NGOs at that point had brought in 71,000 MT of the 100,000 MT allocated, with 50,000 MT distributed according to the negotiated agreements. At the time of the program closure, 21,000 MT had not been fully distributed, with 4,000 MT still at the port and the remainder in transit or in country warehouses. KAPES has since reported to us that these remaining commodities have been delivered according to the negotiated implementation plan with the exception of 4,000 MT that were reportedly used for food for work activities in the two provinces. We have not been able to confirm this distribution plan through independent program monitoring.

The program, despite the disappointing early end and many challenges, set new precedents for working in the DPRK with normalized assistance programs that meet international standards. Above all, we believe we served to demonstrate the compassion and goodwill of the American people through provision of much-needed food as well as through thousands of conversations and individual contacts.

All of the five NGOs that participated in the food program continue to work in the DPRK with ongoing programs focused on health, water sanitation, and food security. Three of the participating NGOs have made return visits to the DPRK since the closure of the food program to move forward ongoing assistance programs, with excellent cooperation from relevant authorities.

We believe continued humanitarian engagement is vital to maintain. The political tension between the USG and DPRK governments is well known. Humanitarian assistance has been on the few areas of continuous, positive steps forward through the last decade. These humanitarian programs meet critical human needs, demonstrate the best of American values and maintain an important channel for people-to-people connection.

Fig.1 World Food Program Operational Map of DPRK



The CHAIRMAN. Thank you all very much.

So, Mr. Sigal, when Kim Jong-il gets his debrief on what the Americans are saying about him today and they report that, well, you know, this guy named Sigal went before the Foreign Relations Committee and said all they have to do is get some leverage on him and then, you know, make him dependent, wouldn't they sort of have gamed that out? Isn't that maybe one of the reasons why they're very content just to remain isolated and not be dependent and if they went the opposite way, wouldn't they have offered it a little while back?

Mr. SIGAL. That may be, but he's promised his people not just a strong country but a prosperous one by 2012. He can't do that on his own. The only way he can do that is with a political accommodation with us, South Korea and Japan, that allows him to reallocate resources internally and get aid and investment from the outside.

If he wants to give up on prosperity, I think that's trouble for him, and I think there is no sign he has changed that view. North Korean rhetoric remains the same. So at some point, I think he will come and want to deal with us.

I also think he needs us for his security. He did not want to be dependent on China. His father didn't want to be dependent on China. That's why they reached out to us back in the late 1980s.

I think those fundamentals don't change. North Korea lives in a dangerous neighborhood. If it can turn the former enemies into friends, it is much safer. So I think those things remain and those things ultimately will make him dependent on us.

The CHAIRMAN. Then why do you think he's gone about it the way he has?

Mr. SIGAL. I don't know. I think it is possible to see what we have as a man who's trying to force us to be his friend, doesn't trust us, and he has somewhat reasonable grounds for not always trusting us, he has a much weaker country, and a Korean tradition where for centuries Korean leaders have made deals with the key neighbors rather than standing up to them.

What his father did and what he did partly to legitimate their rule is stand up to all the great powers. That's very bad if he chooses to do it just with weapons, but as Colin Powell put it very well, he can't eat plutonium. If he chooses simply to stand up to the other powers and simply go for strength and not for prosperity, that's not a very good solution for him and it's certainly not a good solution for his successor whenever that person takes power down the road. So Kim Jong-il needs to move.

The CHAIRMAN. So would—any of you can respond to this question.

Is there any danger at all that in—just going back to the table and pursuing this route which I think you have to do it because I don't think you have many choices, but what is the danger level with respect to the reward of bad behavior argument?

Mr. SIGAL. Well, clearly what we want to do is reward good behavior and you only do things where, as I suggested, with a series of reciprocal steps. You only do things for them when they do things that you want them to and you structure the deals that way.

The fact is we didn't always do that and that's a sad fact. North Korea behavior is inexcusable. What they're doing now, I don't have to tell you, is harmful to them, harmful to us, above all harmful to our alliance relationships down the road, which is a very important reason why we have to get back to this negotiating table and see what we can get.

The CHAIRMAN. The flip side of that question, Mr. Cha, is—sort of goes to your proposal with respect to redesignating them as a terrorist country.

First of all, are there not specific legal standards that apply to that designation and do not these steps he's taken actually fall outside of them, but equally importantly, wouldn't that designation at this moment in time potentially just escalate the latter tit for tat and perhaps undermine the ability to get to the table where you need to do the constructive work of diplomacy, i.e., premature?

Dr. CHA. Yes. Well,——

The CHAIRMAN. If it applies.

Dr. CHA. Right. Well, in terms of getting back to the table, I think everybody wants to get back to the table. The only way we get closer to anything resembling a freeze and a cap on the capabilities is through negotiation. So as bad as that might seem at the current moment, it's something that we eventually have to get back to.

You know, having been part of these negotiations for about 3 years, as our Deputy Head of Delegation, I can tell you, sir, that I have very little confidence that the North Koreans are wanting to give up all of their nuclear weapons.

I think they're willing to give up some of them for all the things that we've talked about, assistance, normalization, peace treaty, but in the end, they're not willing to give up all of them and that's a difficult thing for a negotiator to have to deal with as they go into a negotiation. Yet you still have to have negotiations because you want to maintain a cap, freeze, disable and be able to degrade their programs.

On the question of the terrorism list, there are legal criteria for being put on and taken off this list, but I think it's also fair to say that it is also—there are also political—there's a political environment in which discussion of putting a country on or taking them off the list is quite relevant. And I think when North Korea was taken off the list, there were criteria that justified their being taken off the list, but there was also a broader framework in which that was happening, in which many people expected the North Koreans would live up to their end of the second phase of the six-party agreement, the verification protocol, and they did not.

Since then, as you know very well, they've done a nuclear test, a second nuclear test, they're threatening a third nuclear test, and most recently, they've taken these two Americans and threatened to throw them for 12 years into a labor camp. That's not the right political environment and so I would appeal both on legal grounds as well as on the larger political grounds.

The CHAIRMAN. Senator Lugar.

Senator LUGAR. Mr. Cha, you mentioned that in 2005, other countries voluntarily froze North Korean assets. We had the same situation in Macau. I think that's important because you point out

if in fact we had a Security Council resolution and clearly a multinational idea here, that the sanctions leads to that form, it would be much more comprehensive and complete, and that they affect the leadership which is important.

I suspect we can make some headway with some of the followers, but the leadership is what counts. Unfortunately at this particular moment, even thinking about negotiations, I'm really struck by the fact that after the negotiations we've been involved in, after Yongbyon is partially disassembled and so forth, this reversal is really striking and then beyond that, nuclear tests, missiles flying over Japan, and all the rest of it, we can speculate whether they're having an internal problem politically, but the effects on the rest of the world are very severe.

I would be in favor really of moving very strongly toward the economic sanction route and bank accounts. I think that made a difference. I think that's where we got to the table to begin with. In fact, there had not been really much movement prior to that point.

But I'm also intrigued by your thought about an inspection regime. Describe really what an inspection regime, a counterproliferation regime means or how that is set up.

Dr. CHA. Well, I mean, the first point on that, Senator Lugar, is, as you know well, I mean, for denuclearization, we need a negotiation. If we don't have a negotiation, we have to focus on counterproliferation and I think what often gets missed in the media discussion of the inspection regime is they focus on the high seas interception where a comprehensive inspection regime—that would just be one small piece.

Senator LUGAR. Yes.

Dr. CHA. The bigger areas would be the cooperation by the Chinese and Russians at ports in terms of container cargo, in terms of the practice of bunkering at third country ports as vessels that may be carrying bad North Korea things need to stop on their way to their final destination.

If all of these things become part of a U.N. Security Council resolution and then, as Ambassador Bosworth said, there is an enforcement or monitoring mechanism within the U.N. Security Council of countries who are abiding by it, that would be a much more effective way of trying to counter proliferation than if the United States on its own, as we were doing during the Bush administration, trying to go out individually and persuade countries to do this.

That was a much harder route and I think this process would be much more effective and would position the United States much better.

Senator LUGAR. I agree, and it seems to me the essential diplomacy right for the moment is with all the rest of the world.

Dr. CHA. Yes, Senator.

Senator LUGAR. In due course, we may get into some diplomacy because the North Koreans do find it necessary, but our job right now is the Security Council, to make certain that if we go the economic banking route or if we try to set up a nonproliferation regime because, after all, the items that the North Koreans are getting revenue from, their major exports appear to be through these really dangerous substances, information, and weapons.

So this is another essential cutoff and a very important one in terms of the security of the rest of the world, quite apart from whether we ever get to the table with the North Koreans, just in terms of our own safety and others in the process of all of this. That's why it seems to me your idea of the counterproliferation regime really needs some more explanation on your part and perhaps some greater information, if you publish such, or to give us some outlines in terms of our own thinking of how these things work, so the American people understand.

Now, at the end of the day, the North Korean leadership may still say we're simply going to keep threatening the world, as they are. They're claiming if we put any of these sanctions on, we can expect war on their part. This is not a regime that looks to me like it's headed to the table happily and willingly and as you're saying, even if we got to the table, the reticence to give up all nuclear weapons, and have some accountability for this, you think is clearly a place too far.

Why do you reach that conclusion?

Dr. CHA. Well, I just—I feel as though, and this isn't just the second term of the Bush administration, we've been negotiating with North Korea for some 16 years and Evans Revere and others have been involved in this process during the Clinton administration. There have been several high-level envoys that have gone to North Korea. And yet this process still leads us only to the point where we got at the end of the Bush administration of a freeze and then the beginning of a process of disablement, in spite of the fact that all the things the North has asked for have been put on the table: peace treaty, normalization, economic and energy assistance, negative security assurance in the 2005 joint statement which says that the United States will not attack North Korea with nuclear and conventional weapons.

So if security was driving their need for nuclear weapons, the negative security assurance and everything that came with the political and material incentives should at least offer them enough of an incentive to push harder forward on the process, yet in our negotiations they continued to falter when we got to the most crucial moments.

Senator LUGAR. Thank you.

Mr. SIGAL. If I might, Senator, without taking issue at all with port inspections and other things, I think we really have to keep our eye on the plutonium.

The North has a likely response, although there's nothing certain about the North or what's going on there right now, which is to restart the reactor at Yongbyon which would generate more plutonium. I think we have to try to prevent that from happening and I don't know a better way than negotiation.

I think we can't risk a war here. We have Seoul as a hostage and I think if you keep your eye on plutonium, right now they have a very limited supply, limited enough so that they had to reprocess in order to have enough for another test. They're going to have to test some more if they want to prove their weapons.

I think we have some very serious stakes that go beyond the narrow issue of the plutonium. Think about an unconstrained North Korean nuclear program and its effects on the politics of Japan and

how that plays back into the politics of China. That is the real security risk to the United States of America and I don't know any other way to stop it—granted it might not work—than through the negotiating process.

Senator LUGAR. I won't exceed my time, but I will say respectfully, Professor, of course we want negotiations. The whole point we're trying to make is the North Koreans have deliberately walked away from it, have shot missiles across Japan, have done a nuclear test. Of course you want negotiation, but until we really do something as an international community, I don't see much movement in that respect.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Lugar.

Senator Corker.

Senator CORKER. Thank you, Mr. Chairman, for this most timely hearing and for all of you being here.

I obviously sense, Mr. Sigal, Professor Sigal, that you think the outline that Mr. Cha has put forth is counterproductive to those——

Mr. SIGAL. I didn't say that.

Senator CORKER. So you think the broadness of sort of keeping proliferation from occurring is—that's too broad and we ought to focus only on plutonium? Is that what you're saying?

Mr. SIGAL. No. What I'm saying is you have to do both. We need to be able to impede the North from getting things it needs to make more nuclear weapons and missiles and from sending things abroad. We need to do that, but we can't stop there nor should we consider that the pressure we're putting on them now will have the immediate effect of stopping them from making more plutonium. That's part of our problem.

I have no objection to part of what he said. I think we have to do that, and I'm glad that the Chinese are willing to join with us, but we should not see that as a solution and I think, if I heard Ambassador Bosworth say this, I think that's his view, as well. I think that's the administration's view, if I heard it correctly.

I think that's very important here, and it is very hard. We should not—there's no grounds for optimism. It's just we don't have an alternative.

Senator CORKER. I sense in another breath your concern about war. You talked about the South. So it seems to me that there's a slight variation in what you're saying.

I mean, what is it you think—you were talking about Mr. Cha's efforts or what he's put forth and how you may—you feel that may lead to war.

So what it sounds like to me, if you——

Mr. SIGAL. I'm sorry. I didn't mean to be misunderstood that way. No, no. I think if you are trying to get rid of the plutonium facility by attacking it, that's a risk. That's a different thing from——

Senator CORKER. Yes. I would be pretty sure that would lead to war.

Mr. SIGAL. Thank you.

Senator CORKER. Let me just ask you this. What is it that we have specifically that you think they truly want at this time?

I guess I hear you talking about the security issue. Certainly it seems to me that their actions do not indicate creating a partnership with our country as it relates to their security is what they're trying to achieve. So that doesn't seem sane that they would take the course they're taking if that's their objective.

So could you outline what you truly think they're after that we have today? Maybe they're going a circuitous route and I'm missing something, but what is it today you think they're after that we have?

Mr. SIGAL. What this has been about, and we do not know if it is still about that, what they have told U.S. officials, the earliest I know is 1990, and they told Under Secretary of State Arnold Kanter that in 1992, was they wanted a strategic relationship with us—they wanted to be our ally, to put it in plain English. That was the way for them to get security.

Do they still want that? I do not know. But if you think about—if you put yourself in—and it's very hard to do—put yourself in Kim Jong-il's shoes. How can he feel secure? Do nuclear weapons alone make him secure? I don't think so.

But if he has a fundamentally new relationship with us, Japan and South Korea, that's a different story, but he can't count on that and he has seen that we've been reluctant to move that way and therefore he keeps threatening us with the nuclear program.

But in the end, if you look, what we can't have a good explanation of it if we think it's just about nuclear weapons is why did he limit his production of plutonium over the past 20 years?

It is very hard to understand. It is very hard to understand why the North Koreans did not in fact test missiles over and over again until they had reliable missiles. They certainly have the capacity to do that. Something else is going on here and what I don't know is, is it still going on, but we have to find out.

Senator CORKER. Ms. Lindborg, you know, the notion of talking about prosperity in the year 2012 from his point of view, what was your experiences inside—what was your experience inside the country and your sense of his desire, if you will, based on what you saw, what your organization saw, in working with these other groups that there was a better well-being, if you will, for the citizens of his country?

Ms. LINDBORG. Well, from the perspective of the last 13 years, there's no question that North Korea's better off than it was in the mid-1990s when they were gripped with a very serious famine. Things have definitely improved since then, but as I noted, there's still a significant food insecurity, particularly when you go into the rural areas, which is what our programs have focused on.

Senator CORKER. But is there any—I mean, this would be—is there any sense within the agencies that there's any desire on the part of the leadership of North Korea that the standard of living, that the quality of life, that the people there who are living there, that they're even concerned about that? Is there any sense of that as you deal within that country?

Ms. LINDBORG. You know, we are not dealing at the highest political levels. So I would actually defer to my colleagues who may have better informed opinions than I do on that.

Senator CORKER. Mr. Revere, you want to comment?

Mr. REVERE. Over the years, in discussions with fairly senior DPRK officials, we have repeatedly had opportunities to discuss the welfare of their people and America's desire to help. It has been my experience over the years that at least the people we were dealing with were genuinely concerned about the welfare of their people.

Many of the negotiations that I participated in in the past focused on the issue of food and humanitarian assistance and new projects designed at helping the North Korean people and I would say I have never encountered a DPRK official who brushed aside the needs of their people.

The people that we were dealing with, the officials that we were dealing with, took this very seriously, so seriously that hours and hours and hours of negotiations were devoted to this topic of how can we best improve the lives of their people.

Ms. LINDBORG. Actually, Senator Corker, if I can just add on to that, it is undeniable that the recent food program that we just conducted had very high levels of approval and support and that was in and of itself, I think, important evidence of the desire for ensuring that there was well-being.

Senator CORKER. Mr. Chairman, thank you, and thank each of you.

The CHAIRMAN. Thank you very much.

We need to wrap up in a couple minutes. Just one quick question.

The proliferation threat is the threat to the United States of America right now, barring some missile development that we're not aware of, but even then, strategically, fundamentally, the proliferation issue is the challenge to us.

China, however, Russia, South Korea, and Japan have far more immediate and, frankly, pressing strategic concerns.

Why can they not summon a stronger response, given their surrounding clout and already-existing leverage, particularly China?

Mr. Revere.

Mr. REVERE. Senator, I've been talking with the Chinese since the late 1970s about North Korea and I find today a remarkable difference in the tone and content of our dialogue with the Chinese, in my conversations with the Chinese, from those days.

I find more and more that Chinese officials, and particularly senior think tank representatives and former officials with whom I've had long relationships, are looking at North Korea in a very different way today.

I've had a couple of Chinese officials actually use the term "security liability" in describing North Korea today. That's a remarkable thing for even semiofficial Chinese to say.

The bottom line is that I think attitudes in Beijing are changing. We're starting to see op-eds conveying a more nuanced view. We're starting to see publications come out very clearly questioning past policy with respect to the DPRK.

I think we are at an important turning point in terms of Chinese attitudes toward North Korea. I don't want to overstate this, but I think we are at a turning point.

One final point on Japan. Japan has been very much focused on one issue in recent years: the abduction issue. A serious and emotional and important issue, yes, but I think Japan has focused to

such a degree on that issue, that it has failed to focus as much attention as it should on other very immediate and important threats to Japan, such as the North Korean missiles.

When the United States started to move away from fulfilling our part of the bargain on the missile moratorium that prevented North Korea from launching medium- and long-range ballistic missiles for the better part of 7 years, we did not hear great cries of opposition and anger from Tokyo that I had expected we would hear. That was very unfortunate, and one of the things that I hope we do when we get back to the table with the DPRK, and I believe we will eventually get back to the table with the DPRK, is put the missile issue back on the agenda.

The CHAIRMAN. Well, let me—did you have a comment?

Mr. SIGAL. No. I just—one thing with respect to China. I don't think fundamental Chinese interests have changed yet.

Instability in Korea is a problem for China, not simply nukes, and I think that means that to expect China, for instance, as some people hope for, to cut off all food and fuel to North Korea is to make it act contrary to its interests and I would say I think the chairman and certainly Senator Lugar knows this is hardly the time to put our relations with China in jeopardy over North Korea.

The CHAIRMAN. Well——

Mr. SIGAL. We don't want to push it too hard, but China is going to do a lot more, I think, to get tough with North Korea and we will not only see it but they're going to do that. That I agree with, totally with Evans.

The CHAIRMAN. Well, I don't think we're going to put our relationship in jeopardy over it. I don't think we're going to need to.

Mr. SIGAL. Right.

The CHAIRMAN. You know, it's interesting in diplomacy and international relations, sometimes the biggest of opportunities are staring you in the face when things look the bleakest.

I do not agree that just because of all this saber rattling and internal succession game going on and so forth, I'm not—frankly, I'm concerned about the proliferation issue, but I'm not concerned that there is an impasse that we can't get over or there isn't a way to get back here.

I believe ultimately, I think there are mistakes that have been made on our side of the fence over the last few years, too, and they don't get heralded enough, but, you know, there were some promises made about certain things being delivered and they were never delivered. There were misinterpretations about communication.

The post-9/11 atmosphere altered, the axis of evil and other kinds of things, you know, Iraq had perceptions of a regime change in other countries. A lot of attitudes shifted and people responded to those things, and personally I believe that if we behave as confidently as we ought to, given the superiority of a number of strategic fronts on which we're sitting here, not to mention the presence of Russia, China, Japan, and South Korea, and South Korea and China alone are enormously strong and we will remain committed to Japan's and South Korea's strength, we got a lot of—you know, we've got a lot of cards to play here and so I'm really quite confident that if we play them adeptly and intelligently, I think North Korea's longer term interests with respect to a security

arrangement, treaty, not an armistice from 1953 but an understanding of where we go and an economic future, I think there are ways to get through this.

And so I think the key here is to get back to the table and not do things that make it harder to get there rather than easier.

So that's just a quick summary take. I think your views have been helpful, important. I think it's good to air this and we have a distinguished visitor coming in about 5 minutes and so we've got to get over to the Capitol to meet him, and I apologize.

I will leave the record open for a week for colleagues who'd like to submit any questions and we will certainly, if you want to articulate any further in answer to what I just said or anything any other Senator said, we will invite that because we'd like to have as complete a record as possible. We may just follow up with you to that effect.

So thank you very much. I think it's been very helpful.

We stand adjourned.

[Whereupon, at 4:24 p.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF AMBASSADOR STEPHEN BOSWORTH TO QUESTIONS SUBMITTED BY SENATOR ROBERT P. CASEY, JR.

SIX-PARTY TALKS

The six-party talks were initially convened in 2003 to facilitate the verifiable and irreversible denuclearization of the Korean Peninsula. Late last year, North Korea decided to initiate a boycott of the six-party talks and followed up with the renunciation of a series of previously made international commitments. Accordingly, the six-party talks, which some experts viewed as the potential genesis of a permanent regional security mechanism for Northeast Asia, have been put on the shelf, despite repeated calls by the other Members for North Korea to return to the talks.

In its place, a series of bilateral consultations have taken place in recent months to consider next steps in response to North Korea's increasingly provocative actions. No regional grouping to bring the United States, China, South Korea, Japan, and Russia has convened to specifically address the situation on the Korean Peninsula.

Question. Has the administration considered the notion of reconvening the six-party talks, inviting the North Koreans to attend, and if they refuse to do so, nonetheless proceeding with the talks among the five remaining Members—with an empty chair to symbolize North Korea's boycott?

Would not such a step vividly demonstrate North Korea's self-imposed isolation and facilitate a multilateral consensus among interested actors on next steps in response to North Korean provocations?

Answer. The United States remains actively engaged in discussions with our partners in the six-party process. Since the last session of the six-party talks in December 2008, the United States has met and will continue to meet with each of the other five parties to coordinate our approach to North Korea. We will maintain our close consultations with our partners going forward on the best ways to coordinate our efforts and demonstrate a unified approach to the DPRK.

NORTH KOREA'S NPT STATUS

Question. When the DPRK announced its withdrawal from the Nuclear Nonproliferation Treaty in January 2003, questions were raised over whether the withdrawal complied with the legal requirements for treaty withdrawal procedures. Namely, North Korea apparently failed to provide 3 months notice as required under the treaty. However, the previous administration did not seek to challenge the legality of North Korea's withdrawal from the NPT.

What is the current view of the U.S. Government on North Korea's status under the Nuclear Nonproliferation Treaty? Is the North Korean Government bound today by any of the provisions of the NPT?

Answer. We will follow up with additional information in writing at a later date.

NORTH KOREA'S NUCLEAR PROGRAMS

Question. How long will it take North Korea to (1) restore its plutonium reprocessing plant and begin operations, and (2) restore its 5-megawatt reactor and begin operations? Will North Korea require outside assistance, imported parts, or imported fuel to restore the disabled facilities at Yongbyon?

Answer. In its letter of September 3, 2009, to the United Nations Security Council, North Korea declared that "reprocessing of spent fuel rods is at its final phase and extracted plutonium is being weaponized." We would refer you to the Intelligence Community for an assessment of this claim and for an assessment of the status of the other key facilities at Yongbyon, including the 5-megawatt reactor.

Question. What is the current U.S. assessment of North Korea's suspected uranium enrichment program? Are there signs that North Korea has resumed steps in recent months to assemble and/or operate a uranium enrichment facility?

Answer. On June 13, the day after the adoption of U.N. Security Council Resolution 1874, the DPRK Foreign Ministry issued a statement in which it announced that "uranium enrichment work will begin. In accordance with the decision to build a light water reactors on its own, development of uranium enrichment technology to guarantee nuclear fuel has successfully progressed and has entered the test stage."

North Korea's September 3 letter to the Security Council also claimed that "experimental uranium enrichment has successfully been conducted to enter into completion phase."

Rather than drawing any conclusions on such statements alone, we would refer you to the Intelligence Community for an all-source assessment.