Statement before the
House Committee on Foreign Affairs Committee

“Countering the North Korean Threat: New Steps in U.S. Policy”

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Chairman Royce, Ranking Member Engel, and Members of the Committee, thank you for the opportunity to testify before you today on the US response to the North Korean threat.

This year, North Korea is sure to continue with its dangerous provocations, including hostile missile and nuclear tests. Kim Jong-un has reportedly restarted the Yongbyon plutonium reactor and is preparing to launch a mobile intercontinental ballistic missile (ICBM). According to Thae Yong-ho, a high ranking North Korean official who defected to Seoul last year, Kim Jong-un is determined to complete development of his nuclear weapons program by the end of 2017 and has no intention of giving up his nuclear weapons for any amount of international entreaties or incentives.\(^1\) Thae’s statements confirm what we’ve known all along--Kim has staked his legitimacy on perfecting the nuclear arsenal that his father and grandfather pursued at the cost of billions of dollars, and he is unlikely to give it up for any price. Lessons from Iraq and Libya only further emboldened his belief that the only means of survival for the regime is keep its nuclear arsenal. The North has even revised its constitution to enshrine itself as a nuclear weapons state.

In terms of timing, the North’s next provocations could come soon, timed to celebrate national holidays such as the birthday of Kim Jong-il on February 16\(^{th}\) or the birthday of Kim Il-sung on April 15\(^{th}\). These dates are convenient for the North as they also bracket the annual Key Resolve and Foal Eagle exercises conducted by U.S. and South Korean military forces, currently scheduled for March. If, however, Kim chooses to wait, which I believe is more likely, it is because he may calculate that it is better to show some restraint to explore if there’s a pathway to talks with the Trump administration first. While Kim has no intention of ever giving up the nuclear weapons program, he nonetheless seeks dialogue with Washington to shore up his internal standing and secure international recognition as a nuclear weapons state. Kim may also calculate that conducting provocative tests now may only help embattled President Park Geun-hye (who is waiting for the Constitutional Court’s decision on her impeachment) and the ruling conservative party. But once Kim determines that talks are not forthcoming with Washington, he will resume missile and nuclear tests, with the end goal of achieving the capability to attack the United States with nuclear weapons.

In response to the North Korean threat, there are a number of respected Korea watchers who argue that the sanctions strategy has failed and that it’s time to return to negotiations with North Korea, even without any preconditions of seeking denuclearization.\(^2\) They argue that since seeking denuclearization is no longer a realistic goal, we are left with no option but to negotiate with the North to at least “freeze” or “cap” the its nuclear weapons development. Some go even farther and

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advocate that the U.S. should conclude a peace treaty with the North because only then would the North would feel secure enough to denuclearize.\(^3\)

As well intentioned as these arguments may be, following such an advice would be a mistake. Engaging with the Kim regime prematurely is not likely to lead to either denuclearization, a goal the U.S. should not abandon, or, in the long run, peace and stability of the Korean Peninsula. Three U.S. administrations going back to the Bill Clinton presidency in the early 1990s have already tried to address the North Korean threat through various means including engagement and negotiations sweetened by economic aid to Pyongyang. The North Koreans have been happy to pocket the aid and various concessions, but they haven’t delivered on their promises of ending their nuclear program. In February 2012—the last time the U.S. negotiated with North Korea—there was a bilateral agreement, the so-called “Leap Day” accord involving the provision of aid in return for the North freezing some nuclear and missile activities. The deal fell apart almost immediately after Pyongyang violated it by launching a new satellite using ballistic missile technology banned by the United Nations.

In pursuing talks to put a “cap” on the North’s program, one has to also wonder, what exactly would be frozen or capped? As former State Department official and veteran Korea watcher, David Straub, eloquently puts it, “A negotiated freeze is like a mirage, an illusion that recedes as quickly as one tries to approach it.”\(^4\) As he points out, North Korea has many undeclared facilities, including one or more secret uranium enrichment sites to make more nuclear bomb fuel, and our Intelligence Community simply do not know where they all are. Moreover, what does a freeze or cap agreement says to the rest of the world? Agreeing to a cap means the U.S. accepts North Korea as a nuclear weapons state for the indefinite future, which would destroy our credibility not only with our allies but with other rogue regimes such as Iran that are watching what we do with North Korea closely. It’s important to send a message that there will be significant cost for flouting international law.

Similar problem exists with the peace treaty argument. There is not a shred of evidence that it would solve any of the problems created by North Korean policies, from its nuclear program to human rights concerns. Even with a peace treaty, how would we be sure the North Korean regime would ever abide by any deal it signs? How do we verify that the North will do what it agrees to, even if it promises to abandon nuclear weapons in return for a U.S. pullout? The long history of dealing with the North is littered with a string of broken promises and problems with verification in accords such as the 1994 Agreed Framework, a 2005 Joint

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\(^3\) See, for example, Leon V. Sigal, “Getting What We Need with North Korea,” Arms Control Association, April 2016. https://www.armscontrol.org/ACT/2016_04/Features/Getting-What-We-Need-With-North-Korea.

Statement, and the 2012 Leap Deal. The North’s call for a peace treaty was never intended to achieve an effective and lasting peace mechanism to replace the Armistice Agreement but simply to facilitate a negotiation process that would lead to a pullout of U.S. troops from South Korea and an end to the U.S.-South Korea alliance.

This is not to say we should never return to negotiating with the North. But we should only return to negotiations after decisively raising the cost for the Kim Jong-un regime and only when the North is genuinely interested in denuclearization. At the present moment, the Kim regime has not indicated that it is ready to reconsider its policy choices. Kim Jong-un used this year’s New Year’s address to again announce plans to test an ICBM that could deliver a nuclear warhead to the continental United States. President Trump responded to Kim’s announcement with a Twitter message saying simply, “It won’t happen.” Kim now needs to understand that Washington is serious about the president’s statement.

Words alone will not convey a strong enough message to the North. If there is any chance at all that the North would ever entertain the idea of giving up its nuclear program, it would be only because the new administration has made it very clear that the Kim regime is facing a stark choice between keeping the nuclear arsenal and regime survival. The North will discontinue its provocations only when it knows that they will not pay. So it should be clearly communicated to the Kim regime at every opportunity that if it were to even think about attacking the United States or our allies in the region, it would trigger a devastating retaliation that could threaten the survival of the regime. At the same time we must extend Pyongyang a negotiated way out by making clear that it would benefit from nuclear disarmament as long as its promises are fully verified in the manner of Libya. In 2004, Libyan leader Muammar Qaddafi destroyed his entire WMD complex and allowed western inspectors free run of the country to verify compliance. Of course Qaddafi’s subsequent fate serves as a strong argument to Kim as why he can’t emulate the Libyan example.

Contrary to what many believes, the U.S. has not yet used every option available at our disposal to ratchet up pressure against the Kim regime. As a near-term solution, there’s much more we can still do on sanctions, on human rights, on getting information into the North, as well as on deterrence, defense, and on diplomacy. And finally, while we pursue these options, we must also set a long-term goal to peacefully unify the two Koreas into a single, democratic, free-market state that would be a bigger version of today’s South Korea. Here with some concrete policy ideas that we should pursue:

**Sanctions.** The first step to raise the cost for North Korea is through stricter sanctions, by adding even more individuals and entities to the sanctions list, and by seeking better enforcement of sanctions, including secondary sanctions. Until February 2016, the U.S. did not maintain comprehensive sanctions against North Korea. As many North Korea sanctions experts have extensively written about and
pointed out, until then, U.S. sanctions against North Korea were a mere shadow of the sanctions applied to Iran, Syria, or Burma, and even narrower than those applicable to countries like Belarus and Zimbabwe.\(^5\) Thankfully, with the bipartisan support of this committee, the North Korea Sanctions and Policy Enhancement Act of 2016 (H.R. 757) was passed and signed into law, and today we finally have stronger sanctions in place. A month after its passage, in March, the United Nations Security Council also unanimously passed a resolution, UN Security Council Resolution (UNSC) 2270, imposing new sanctions on the Kim regime, including mining exports. In June, triggered by the requirements of the Sanctions Act, the Obama administration finally designated North Korea as a primary money laundering concern, and in July, the Treasury Department sanctioned Kim Jong-un and ten other senior North Korean individuals and five organizations for human rights violations. In late November, the U.N. Security Council also got around to another round of sanctions, adopting UNSC Resolution 2321, which further caps North Korea’s coal exports, its chief source of hard currency.

But for sanctions to work, it will need to be pursued over the course of several years as we did with Iran, and most importantly, they need to be enforced. Here, the chief problem has been that Beijing is still reluctant to follow through in fully and aggressively implementing the UN sanctions. There are numerous examples of China’s non-compliance. Just to list one recent example: Even though UNSC Resolution 2321 set for the first time limited China’s import of North Korean coal for December 2016 at 1 million tons or $53 million, just eight weeks later, Chinese customs figures show that Chinese traders imported over 2 million tons of coal in December, up from 1.9 million the previous month.\(^6\) Similarly, China’s overall commodity imports from North Korea rose by 6 percent to $2.6 billion last year.\(^7\)

This is why secondary sanctions are ultimately necessary. Secondary sanctions must be placed on Chinese banks that help North Korea launder its money and Chinese entities that trade with North Korea or are involved with North Korea’s procurement activities. The previous administration had been slow to sanction Chinese or any of the dozens of third-country enablers of North Korea proliferation and money laundering because it did not want to risk straining relations with Beijing. The Trump administration, however, has signaled a possibly more aggressive approach with China given President Trump’s willingness to become, even before the inauguration, the first U.S. president since 1979 to talk to a


\(^7\)Ibid.
president of Taiwan. Even if the U.S. has to endure some ire from Beijing for enforcing secondary sanctions, this is exactly what Washington should do.

History gives us a useful example of how secondary sanctions can work. In September 2005, the U.S. Treasury Department designated Macau-based Banco Delta Asia for laundering North Korea’s counterfeit dollars, which led to the blocking of $25 million in North Korean deposits. This action blocked one of the key streams of hard currency for sustaining the Kim regime. A North Korean negotiator at the time told a U.S. official that the U.S. has finally found a way to hurt the regime. The North eventually returned to the talks and agreed to give up its nuclear weapons program after the U.S. agreed to return the funds to the Kim regime. Unfortunately, after this important leverage had been traded away, the talks fell apart over verification of the North’s disarmament. What this showed is that third countries, in this case, China, will comply with sanctions but only if its banks face real consequences for conducting illicit business with North Korea. And as the Iran nuclear deal ultimately showed, sanctions can get results only if they are tough enough and implemented and sustained over several years.

In addition to enforcing the existing sanctions, the next steps are to close loopholes and add even more individuals and entities to the list to further confront North Korea with a clear choice between keeping its nuclear program and regime survival. For example, the U.S. could seek to ban North Korea’s exports of labor which the regime relies on for hard currency. The latest round of UN sanctions ignored the legions of North Korean laborers sent overseas, mostly to China and Russia, to work in the mining, logging, textile, and construction industries. All in all, the North Korean regime has sent more than 50,000 people to work abroad in conditions that amount to forced labor to circumvent UN sanctions, earning up to $2 billion annually in hard currency for the regime.

**Human rights.** In addition to stricter sanctions measures, there are other actions we could pursue to ratchet up pressure on the regime, especially on the human rights front. The 2014 landmark report by the UN Commission of Inquiry (COI) makes clear that the North Korean regime is committing crimes against humanity that have produced hundreds of thousands of deaths. The COI

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recommended the UN Security Council refer the North Korean situation to the International Criminal Court (ICC) and adopt targeted sanctions against the North Koreans responsible for committing these human-rights abuses. It’s time now for Washington to integrate a focus on security and a focus on human rights—normally two different policy approaches—into a single, unified approach. The North continues to be the world’s most repressive state. The threat of North Korea has always emerged from the nature of the Kim family regime itself. Not only is focusing on the North’s human rights the right thing to do, it can also, practically speaking, be a source of leverage as well.

As was the case with Apartheid-era South Africa, whose global isolation was an important factor in changing its system of government, a campaign of diplomatic actions waged internationally, beginning with Washington, will challenge the Kim Jong-un regime’s legitimacy based on its failure to provide for the needs of the people.

**Information penetration.** Steps should be also actively taken to come up with a comprehensive strategy to help the people of North Korea further break the information blockade imposed by the state. Historically, the North Korean regime has been able to maintain tight control over the population by indoctrination and maintaining a monopoly on information. But unofficial information is already seeping into the North over the porous border with China, chipping away at regime myths and undermining the solidarity of the North Korean people. Many North Korean elites as well as ordinary citizens are already watching South Korean DVDs and listening to American broadcasts. We should look into ways to increase our efforts to support radio broadcasts and other means to transmit information into North Korea.

We should explore ways to work with U.S. and other interested tech companies such as Google and Facebook to find creative ways to get information into North Koreans. Facebook, for example, has taken a major leap towards their goal of bringing Internet connectivity to the billions without it. The tech company successfully flew, for the first time ever, its solar-powered airplane Aquila in Yuma, Arizona, last August. The company hopes to eventually form a fleet of them, to beam Internet signal to people within a 60-mile communication radius for up to 90 days at a time. According to Facebook, “fleet of drones” will provide the Internet to 4 billion people in sub-Saharan Africa and other remote regions that do not have access currently. Similarly, Google has also made steady progress in its deployment of Project Loon, which will use a fleet of balloons navigating through atmospheric

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11“Facebook’s Dream of Internet Everywhere Gains Momentum,” [www.realclearlife.com](http://www.realclearlife.com/technology/facebook-dream-of-internet-everywhere-gains-momentum/)
currents, which, according to the MIT Technology Review, would be available in one or two years.\(^{12}\)

The point is to prioritize finding creative ways to get information into North Korea by working with various government agencies and technology companies. Our goal is to go beyond simply getting information into the North. An emphasis should be also be put on helping North Koreans find ways to better communicate and organize. Currently, there are no means for the public to get mobilized and get organized with one another except through use of cell phones, which are strictly monitored by the regime.

Finally, our information operation strategy should also include targeting the elites as well as average North Koreans. We need to make it clear to the elites that economic opportunity and long-term prospects for survival will be denied to them and the country as long as Kim holds onto the nuclear arsenal. Our communication should also provide credible assurance of amnesty and a better quality of life in South Korea to elites, should they voluntarily defect. The point is to get a message across to elites that there is an alternative pathway that can safeguard their survival.

Already, there has been a dramatic increase in the number of elite defections to South Korea in the last year, particularly from individuals working abroad. Thae has said himself that a significant number of North Korean elites have arrived in South Korea last year and more are expected as elite dissatisfaction with the regime grows.\(^{13}\) According to Thae, “I am the only high-ranking official whose identity has been revealed to the public.”\(^{14}\) Indeed, we do know from press reporting that recent defections range from a North Korean general in charge of managing Kim Jong-un’s foreign currency earnings to a senior colonel from a North Korean spy agency.\(^{15}\) In the long run, more elite defection will aid in undermining the very foundations of the Kim regime. One potential effective messenger for this messaging effort to North Korean elites could be Thae himself.

**Deterrence and defense.** While seeking to undermine the North Korean regime, the U.S. should also strengthen deterrence and reinforce defense ties with South Korea and Japan. Effective deterrence of North Korea requires continued readiness, enhanced capabilities, and close coordination between the U.S. forces and

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\(^{12}\)See Joshua Stanton’s excellent blog on North Korea, freekorea.us for his discussion on this topic. http://freekorea.us/2016/08/15/facebook-should-test-its-internet-drones-over-north-korea/#sthash.K2Gm1PiT.dpbt


\(^{14}\)http://english.yonhapnews.co.kr/northkorea/2017/01/17/0401000000AEN20170117004052315.html

\(^{15}\)Ibid.

our counterparts in South Korea and Japan. General Mattis’s decision to visit South Korea and Japan as part of his first overseas visit as Secretary of Defense was an important first step in upholding our defense commitments with South Korea and Japan.

The next important step is to deploy a Terminal High Altitude Area Defense (THAAD) battery in Seoul in July of this year as scheduled—or even earlier if possible. Keeping the timeline for the deployment date of THAAD is particularly critical now that former UN Secretary General Ban Ki-moon has decided to drop out of the presidential race. The most likely person to become the next President of South Korea is the progressive leader Moon Jae-in. He and other progressive candidates have been skeptical about THAAD deployment and have expressed a desire to at minimum postpone the deployment. The Constitutional Court is expected to decide in the coming weeks whether to end President Park’s presidency. If the Court upholds the impeachment of President Park, the presidential election could come as early as this spring. Keeping the THAAD deployment date as scheduled would be a critical part of our deterrence effort against North Korea.

As important is THAAD deployment is the needed for the U.S. to also continue to reassure our allies, South Korea and Japan, of our security commitments. Both Seoul and Tokyo are anxious about the comments Mr. Trump has made regarding cost-sharing for the upkeep of U.S. forces in South Korea and Japan. A continued U.S. commitment to preserve extended nuclear deterrence would also help in discouraging dangerous provocations and attacks from the North.

**Diplomacy/trilateral cooperation.** Washington should also continue to work with both Seoul and Tokyo to encourage further cooperation between the two capitals and Washington, and to make sure that U.S. and our allies are on the same page when it comes to our approaches to North Korea. For some time now, the U.S., Japan, and South Korea have expanded coordination to apply stronger pressure on North Korea. But it is very possible that we may see daylight emerging between Washington and Seoul in terms of North Korea policy later this year. With a progressive candidate most likely positioned to become the next president of South Korea, Washington should be prepared to respond to potential policy changes coming out of South Korea vis-à-vis the North. The next South Korean government is likely to explore prospects for enhanced inter-Korean cooperation and, in this effort, it could try, for example, to lessen the current sanctions enforcement coalition, suspend joint Washington-Seoul military exercises, or, as stated above, delay THAAD deployment. The next Korean government may also attempt to reopen the Kaesong Industrial Complex, although it would be difficult to do because it could be argued that reopening Kaesong would be in violation of the UN sanctions.16

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16The Kaesong Industrial Complex, an inter-Korean joint factory complex a few miles north of the Demilitarized Zone, used the labor of 50,000 carefully vetted North Korean workers. In 2016, after North Korea’s fourth nuclear test and a missile test, the South Korean Ministry of Unification
Washington needs to work closely with a new South Korean government, regardless who occupies the Blue House. The foundation of a successful North Korea policy is multilateral economic pressure, which means that all hope of success rests on building multilateral unity before we deal with the North. In the past, every time Seoul, Tokyo, or Washington has been taken in by the North’s “divide and rule” tactics, there has been a piecemeal relaxation of pressure, extending Pyongyang a lifeline. During South Korea’s “Sunshine Policy” years between 1998 to 2008, for example, South Korea gave approximately $8 billion in economic assistance to the North, arguably rescuing the North from economic collapse. In 2008, the Bush administration removed North Korea from the terrorism list over strong objections from Japan. In 2013, Tokyo, concluded its own deal with the North over the abduction issue to relax and eventually lift bilateral sanctions in exchange for an accounting for Japanese abductees. To avoid such discordant approaches, we need to focus on further strengthening mechanism for trilateral U.S.-South Korea-Japan cooperation. Washington, Seoul, and Tokyo already established a senior consultation mechanism last year to coordinate policy toward North Korea involving quarterly meetings at the vice-ministerial level. Despite occasional flare-ups and tensions that occur between Seoul and Tokyo over historical issues, this consultation should be continued and strengthened.

**Promoting unification.** We should understand that even the steps outlined above could ultimately fail in bringing about change and denuclearization in the North. The Kim regime may very well never give up its nuclear weapons program and its brinkmanship tactics, and no amount of pressure is guaranteed to change the regime’s calculus.

While we ratchet up pressure on the Kim regime by sanctions and other means, we should be promoting unification of the two Koreas. All the measures recommended above—strengthening sanctions and other pressure measures such as transmitting information into the North and highlighting the North’s human rights abuses—also all help in the effort towards unification. The more we intensify economic pressure against the regime, for example, the more we shake the confidence of the elites and threaten to stir discontent among the people that Kim relies on for support. The more we enforce sanctions, the more Kim Jong-un will be left vulnerable, because he will have less foreign currency to underwrite the lifestyles of the North Korean elite whose support is essential to maintain his grip on power. The more we get information to the North Korean people, the more we are helping to build a foundation for eventual unification. The next important step we need to take is to augment current joint military planning between the U.S. and

South Korea with a detailed and coordinated political, diplomatic, economic, cultural, educational, public-relations, and legal strategy to tackle the core unification issues likely to arise. We also need to begin undertaking a diplomatic offensive to secure regional cooperation to support Korean unification.

Whatever North Korea’s immediate future, there is no question that over the long-term its prospects are bleak. While Kim Jong-un’s hold on power seems strong for now, there are signs of growing discord among the ruling class. A key reason why the North Korean state has been able to persist for this long has been the Kims’ ability to maintain the support of powerbrokers in the party, the military, and the government. Frequent purges and executions of high-level elites in recent years may have helped strengthen Kim’s rule in the short-run by terrorizing potential rivals within the regime. But fundamentally, his heavy-handed rule is likely corroding long-term elite support for the regime. These purges and executions raise questions in the minds of North Korean elites about their physical safety and whether Kim is worthy of their trust. At the same time, the regime’s ability to maintain tight control over the population by maintaining a monopoly on information control is also eroding. Unofficial information is increasingly seeping into the North, more and more chipping away at regime myths and undermining the solidarity of the North Korean people under Kim Jong-un’s rule.

While the popular uprisings that have swept countries from East Germany and the Philippines to Egypt, Syria, Libya and Tunisia are still unlikely in North Korea, they are still a reminder that sudden change is always possible. It is entirely possible that at some point uncertainties surrounding the long-term prospects of the Kim regime could precipitate a cascading set of events that would end with swift and unexpected regime collapse in the North, leading to unification. It is in our interest to begin preparing for such an eventuality now. In the final analysis, there is only one way that the threat from North Korean will truly come to an end: the current regime itself must come to an end.