

**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Foreign Affairs Committee
Briefing: The North Korean Threat: Nuclear, Missiles *and* Cyber
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(As Prepared for Delivery)

After years of complacency by successive Administrations, of both parties, our North Korea policy can no longer be one of wishful thinking.

For years, the United States and our allies have been rightly concerned about the threat from North Korea's nuclear and missile programs. Now, this brutal regime has added a new weapon to its arsenal: cyberattacks. The state-sanctioned cyber-attack on Sony Pictures underscored three unchanging facts about North Korea:

- First, this rogue regime has no interest being a responsible state.
- Second, while Kim Jong-un continues to carry out human rights abuses that the U.N. found have no "parallel in the contemporary world" - he continues to accumulate and advance his nuclear, missile and cyber weapons.
- Third, North Korea's weapons are not merely for show. We and our allies in Northeast Asia are facing a brutal and dangerous regime fully prepared to deploy its arsenal.

North Korea's growing cyber capability emerged most starkly in 2013. Our ally South Korea suffered a series of cyberattacks that damaged its commercial and media networks, and disrupted banking services. Despite limited Internet capacity in the North Korea, defectors and security experts point to an elite cyber warfare unit known as "Bureau 121" as the source of these attacks.

Last year's cyber-attack is estimated to have cost Sony hundreds of millions of dollars in damage. It was a state-sanctioned attack that has many Americans asking – if that is what North Korea can do to a movie company, how vulnerable is our critical infrastructure, such as our energy grid? What about my cyber security?

Earlier this month, the Administration announced long overdue sanctions targeting officials and front companies of the North Korean government. I'm glad that the Administration has described this as a just the "**first** aspect" of its response, because many of those North Koreans blacklisted had *already* been targeted by U.S. sanctions.

But, the significance of this new Executive Order may come from the broad power it gives the President to target anyone who is a part of the North Korean government or is assisting them in any way for anything. That is, *if* the Administration chooses to use it to its full advantage.

We need to step up and target those financial institutions in Asia and beyond that are supporting the brutal and dangerous North Korean regime. Such sanctions have crippled North Korea in the past, leaving the regime unable to buy the loyalty of its generals.

This Committee has been focused on the North Korea threat for years: bringing attention to the regime's human right abuses; its illicit criminal activities; its growing nuclear and missile programs; and helpful scrutiny of North Korean nuclear negotiations.

Indeed, last Congress the House passed legislation that Ranking Member Engel and I authored to ramp up the financial pressure on North Korea: pressing for North Korea to be designated a "primary money laundering concern" (as has been done with Iran); curtailing its sale of weapons and stepping up inspections of North Korean ships, among other steps.

Unfortunately, the Senate failed to act on this critical legislation before it adjourned. But we'll soon try again, and give the Senate a chance to join us in tackling this growing threat.

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