Thank you, Congressman. I would like to thank the

Committee for inviting me to testify here today on this important

issue.

I would like to submit my written testimony for the record and

then offer a brief summary of the major points.

There are currently three myths that influence U.S. policy toward

North Korea and impede our ability to maintain stability and

security on the Korean Peninsula and in the region.

Myth number one: It is impossible to negotiate with North

Korea. Determining how best to deal with North Korea has posed

a serious challenge for the Clinton Administration. However, it is

possible to do business with Pyongyang, as proven by the experience

of KEDO, an international organization that was created to

deal with the North’s nuclear weapons program by building two

nuclear power reactors in North Korea.

During the past 5 years, KEDO and the North Koreans have

reached agreements that have produced real and tangible progress

to implement this nuclear project. Many of these agreements deal

with highly sensitive national security issues, such as direct transportation

routes from South Korea to North Korea, independent

means of communication from the work site to the outside world,

and blanket immunity from prosecution for all KEDO workers

doing business in the North.

KEDO has shown it is possible to engage North Korea in ways

consistent with U.S. national security interests. The KEDO experience

also teaches the importance of demanding strict reciprocity.

There is no such thing as a free lunch when it comes to North

Korea. It is possible to take from the North, but only if you are prepared

to give something in return.

It is essential that anyone negotiating with the North not be

afraid to walk away from the negotiating table. They should never

be or seem to be more eager than the North Koreans to reach an

agreement. Hard-headed engagement, which is strongly supported

by South Korea and Japan, can work. By keeping faith with our

allies, the United States will emerge in a much stronger position

should North Korea decide to remain a rogue state.

My final point here is that it is useful to talk with Pyongyang

if only to make absolutely clear to them the consequences their actions

will bring. In other words, the United States has a strong interest

in preventing North Korea from ever thinking that its provocative

behavior would go unanswered.

The second myth is that the Agreed Framework nuclear deal can

be attacked without harming broader U.S. national security interests.

Despite all of the criticisms of the Clinton Administration’s

handling of North Korea, the reality is that the next Administra-

tion, whether Democrat or Republican, is unlikely to substantially

change U.S. policy.

If there is a Republican Administration come next January, I

would expect to see important changes in policy style and policy

execution, but little change in policy substance, with the possible

exception of addressing the North’s military posture along the demilitarized

zone.

Indeed, leading Republican foreign policy experts advising Governor

Bush have already gone on record saying it would be difficult

for a Republican Administration to overturn the current U.S. approach

to North Korea.

These Republican foreign policy experts recognize that the

Agreed Framework and KEDO, Secretary Perry’s report, and South

Korean President Kim Dae-jung’s Sunshine Policy, provide useful

tools with which to deal with many of the challenges North Korea

presents. This is not to say that the current U.S. approach is ideal.

Far from it. It is the least worst option.

Before dismantling the current approach, it is essential to formulate

a viable policy alternative. Suddenly reversing Washington’s

North Korea policy without such a policy alternative in place would

harm our relations with two key U.S. allies—South Korea and

Japan. The likely result of such behavior would be the weakening

of U.S. influence throughout all of East Asia and perhaps beyond.

Myth number three is that KEDO doesn’t need or deserve strong

U.S. support. According to published accounts, North Korea’s work

at the nuclear facilities covered by the Agreed Framework has halted.

This nuclear freeze is being monitored not only by U.S. national

technical means, but also by international inspectors on the ground

at these sites in the North.

Without this nuclear freeze, which is due largely to KEDO’s ongoing

efforts, it is estimated that Pyongyang would have the capability

to build five to six nuclear weapons a year. In other words,

without the Agreed Framework and KEDO, North Korea could

have a nuclear arsenal of at least 25 to 30 bombs by this time.

Needless to say, this result would be profoundly destabilizing to all

of East Asia and detrimental to U.S. stature and influence in the

region.

Unfortunately, the KEDO nuclear project is an estimated 5 years

behind schedule. KEDO needs strong support from the Administration

and from Congress to move the nuclear project forward. It is

useful to recall that under the Agreed Framework, North Korea

has pledged to come clean about its nuclear past, to disclose how

much weapons-grade plutonium it has separated, only after KEDO

completes a significant portion of the two nuclear reactors it has

pledged to build.

Many people, including myself and my friend Doug Paal here,

are skeptical whether Pyongyang will ever place all of its nuclear

cards on the table. We delay testing this proposition with each day

the KEDO project is stalled. We delay forcing North Korea to

choose which path to follow—the one leading to greater engagement

with the outside world, or the one leading to greater isolation

and poverty with the North Korean regime.

In conclusion, I would like to leave the Committee with four key

points. First, it is imperative that the United States keep its eye

on the prize. Our overriding priority is to maintain security and

stability on the Korean Peninsula.

Second, we must keep solidarity with our allies—South Korea

and Japan. Anything that weakens our alliances weakens our security.

Third, we need to force North Korea to make a choice through

tough negotiating, so we can have a better sense of which U.S. policy

is most appropriate for dealing with the threats that North

Korea poses.

Fourth, and finally, Congress has a crucial role to play in working

closely to help this Administration shape our policy for North

Korea.

Thank you.

Yes, sir. For 4 years I was the chief negotiator.

The negotiations took place in North Korea and in

New York, where KEDO is headquartered.

They were extremely tenacious and difficult negotiators.

I have explained in other addresses that I like to describe

the North Koreans as smart but not terribly sophisticated. A lot of

what we did was actually explain and educate the way the world

worked, international standards, technical advances. Their people

literally don’t get out a lot, and they are not as familiar as one

would hope in terms of what is current concerning technology levels,

international standards, international practices.

For the first part of many of these negotiations we spent an enormous

amount of time explaining and educating, providing them

with written documents and materials, so they could get up to

speed themselves.

They can export trouble.

I think there are some natural resources that they

have—manganese. There are some other ores that have value on

the international market. I would like to ask the other people on

the panel if they can think of some other items. There aren’t too

many big ticket items that come to mind. I think ballistic missiles

are their single largest source of hard currency, aside from perhaps

counterfeiting or narcotics trafficking.

I think the big concern that we have is their ability to export ballistic

missiles to countries in South Asia and the Middle East. Doug

was absolutely right in saying deterrence on the peninsula has

worked for 50 years. We have deterred a large-scale invasion of

South Korea by the North.

What we haven’t been able to deter is smaller incursions, terrorist

acts, by North Korea. It is unclear to me whether our current

military posture, as strong as it is, without the Agreed Framework

and KEDO would be able to deter the North Koreans from building

a nuclear arsenal, from exporting nuclear material, putting it on

the marketplace along with ballistic missile technology, as they

have done in the past.

So deterrence is important. It is essential. However, I am not

sure that it addresses all of the policy concerns that the United

States has.

I think, as I said in my written remarks, that there

would be enormous delays and increase in costs. I don’t have a cost

figure off the top of my head to give you. I can try and find out

and provide it to you and your staff. I think that it would cause

a significant delay. There might need to be some plant redesign

work being done. Whoever was found to replace GE, the same

issues of nuclear liability would arise.

I think there is some thought that there is a Japanese

company or companies that could build similar technology for the

KEDO project.

I think it is possible technically that some European

companies may do so. I am not sure that the Russians, since they

operate a very different type of reactor system, would be able to

step in right away. Anybody who comes in, though, is going to have

to fit their product into the Korean nuclear standard plant. So,

there will be a lot of retrofitting, a lot of adjustments. It is going

to be a very difficult process to try to put in a new component into

an existing system.

If I could offer a slightly different answer. I think I

would reply that we don’t know the answer to that because we

haven’t put a deal on the table with the North Koreans. In the

early 1990’s, there were reports that the Israelis had worked out

an arrangement to buy out some or all of the North Korean bal-

listic missile program, at least to prevent them from exporting to

other countries in the Middle East that threatened Israel.

There also was a statement in June 1998 in which the North Koreans

strongly indicated that they are willing to sit down and negotiate

a price for their ballistic missile program. The answer currently

is that we don’t know whether that is sincere or whether

that is posturing, because we haven’t been able to do what we need

to do internally, the hard work of coordinating our side of the table

in order to engage seriously with them on this issue.

Mr. COOKSEY. Ambassador Sherman had made a statement that

she does not feel that they are likely to make a lot of progress in

a very rapid manner, that they think in terms of 40 years. I believe

it was—wasn’t that her? Do you agree with that assessment, that

they will outwait us—that they will be slower in their negotiations

process?

I would be a little surprised if there was an actual

test, but I don’t think we should be surprised if they rattle the

saber a little bit and threaten to do it in order to ratchet up the

negotiating leverage in the talks with the United States, and perhaps

also with Japan.