

Prepared Statement of James A. Kelly
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Senate Foreign Relations Committee
“Dealing With North Korea’s Nuclear Programs”
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Thank you, Mr. Chairman, for this timely opportunity to meet with the Committee again to discuss the efforts of the United States and like-minded countries to deal with the threat of North Korea’s nuclear ambitions.

I will focus my remarks on these four topics:

- A brief overview of the problem of the DPRK’s long-standing determination to move ahead with its nuclear weapons programs, and why previous efforts to achieve a nuclear-free Korean Peninsula did not succeed;
- the Bush Administration’s commitment to multilateral diplomacy to achieve the full denuclearization of the Korean Peninsula, through the Six-Party Talks;
- an explanation of the proposal the U.S. tabled at the third round of the Six-Party Talks in Beijing last month, and of the proposal tabled by the DPRK; and
- the opportunity the DPRK has now to improve its relations with the international community and to reap the full rewards of trade, aid and investment – and what North Korea’s neighbors and the international community expect in return.

North Korea’s Nuclear Programs

North Korea’s nuclear programs are a longstanding threat. The DPRK leadership decades ago set out on a path that would allow it to acquire nuclear weapons. After conducting research throughout the sixties and seventies at a reactor provided by the Soviet Union, the DPRK began construction in 1979 of the 5-MWe reactor at Yongbyon, from which it could extract and reprocess plutonium. That reactor became operational in 1986.

In 1985, while construction was going on at Yongbyon, international pressure convinced North Korea to sign the Nuclear Non-Proliferation Treaty. However, it was not until 1992 that it finally signed a comprehensive safeguards agreement and within months the IAEA found evidence of inconsistencies in North Korea's declarations. I should add that throughout the 1990s the IAEA continued to find the DPRK in non-compliance of its safeguards agreement.

Also in 1992, the DPRK reached an agreement with the Republic of Korea for a Korean Peninsula free of nuclear weapons, but the North never moved to implement it.

By 1993, IAEA pressure for additional inspections led North Korea to announce its intention to withdraw from the NPT. As tensions mounted, the U.S. and North Korea began high-level talks that culminated in the Agreed Framework of 1994. That agreement obligated the DPRK not to produce fissile material at its declared nuclear facilities at Yongbyon and its preface stated that its purpose was "an overall resolution of the nuclear issue on the Korean Peninsula."

The Agreed Framework left resolution of pre-1993 discrepancies, especially quantities of plutonium that the DPRK might have recovered, for the distant future, linked to construction progress on the light water reactors provided under the Agreed Framework. The Agreed Framework did not, as we learned later, end the North Korean nuclear arms programs. By the fall of 2002, our intelligence community assessed that North Korea was pursuing a covert program to produce enriched uranium – in violation of the Agreed Framework, the North-South Joint Declaration on the Denuclearization of the Korean Peninsula, the Nuclear Non-Proliferation Treaty, and the DPRK's Safeguards Agreement with the International Atomic Energy Agency. In fact, we determined that North Korea had been pursuing the program for a number of years, even as it was negotiating with senior American officials to improve relations.

By the way, our negotiator for the Agreed Framework, Ambassador Robert Gallucci, had left the North Koreans in no doubt that that any uranium enrichment program would violate the Agreed Framework. Ambassador Gallucci testified before Congress in December 1994 that the Agreed Framework required the DPRK to implement the North-South Joint

Denuclearization Declaration, which precludes any reprocessing or enrichment capability. “If there were ever any move to enrich,” he told this Committee, “we would argue they were not in compliance with the Agreed Framework.”

I led a delegation to Pyongyang in October 2002 to confront the North Koreans with our assessment that they have a uranium enrichment program. DPRK First Vice Foreign Minister Kang Sok Ju told us that the hostile policy of the U.S. Administration had left North Korea with no choice but to pursue such a program. When I pointed out our assessment that North Korea had been pursuing such a program for years, he had no response.

Instead of taking the opportunity we had afforded them to begin walking back their covert uranium enrichment program, the North Koreans escalated the situation. In December 2002, they expelled IAEA inspectors and began to reactivate the 5-megawatt reactor at Yongbyon. In January, the DPRK announced its withdrawal from the NPT. And on several occasions in 2003, it declared it had finished reprocessing its 8,000-plus existing spent fuel rods. If that is indeed the case, it could have produced enough fissile material for several additional nuclear weapons. Since then, the DPRK has stated it is strengthening what it calls its nuclear deterrent capability.

Multilateral Solution to a Multilateral Problem

The United States has adhered to two basic principles to resolve this threat from the DPRK. First, we seek the complete, verifiable and irreversible dismantlement of the DPRK’s nuclear programs – nothing less. We cannot accept another partial solution that does not deal with the entirety of the problem, allowing North Korea to threaten others continually with a revival of its nuclear program. Second, because the North’s nuclear programs threaten its neighbors and the integrity of the global nuclear non-proliferation regime, the threat can best be dealt with through multilateral diplomacy.

I can report some progress to you on both counts.

Late in 2002, Secretary Powell began talking with countries in East Asia about a multilateral forum to make clear to the DPRK it must end its nuclear arms programs. He succeeded in persuading the Chinese, who in March 2003 took with them to Pyongyang the idea of five-party talks. The

North Koreans resisted, but eventually agreed when the Chinese suggested trilateral talks in Beijing be held with the U.S., North Korea, and China.

After we consulted with our South Korean and Japanese allies, to ensure that they supported the idea and assured them they would be in future talks, we participated in the trilateral talks in Beijing April 23-25. By the way, it was at that forum that the North Koreans pulled me aside to say that they have nuclear weapons, will not dismantle them, and might transfer or demonstrate them. I strongly cautioned them against any escalation.

After those trilateral talks, we kept our promise and insisted that the next round of talks should include South Korea and Japan. We also supported Russia's inclusion. The Chinese did some more persuading, and the North Koreans agreed to participate in Six-Party talks. The first round was held in Beijing August 27-29, 2003.

The other five parties all told North Korea very clearly in plenary session that they will not accept North Korea's possessing nuclear arms. In response, the North Koreans threatened that they would demonstrate nuclear weapons. The North Korean belligerence at the Six-Party talks had the effect of isolating them. It was a useful first step in the difficult process of ensuring the complete, verifiable and irreversible dismantlement of the North Korean nuclear arms program.

The second round of Six-Party talks was in February 2004. The parties agreed to regularize the talks, and to establish a working group to set issues up for resolution at the plenary meetings. At the second round of talks, the ROK offered fuel aid to the DPRK, if there were a comprehensive and verifiable halt of its nuclear programs as a first step toward complete nuclear dismantlement.

The third round of talks, held late last month in Beijing, were useful and constructive. The working group met June 21-22, the plenary June 23-26. Over the course of that time in Beijing, the U.S. met directly with all of the parties. We held a two-and-a-half-hour discussion with the DPRK delegation. Some press accounts indicated that, during that meeting, the North Korean delegation threatened to test a nuclear weapon. The North Koreans said that there were some, not identified, in the DPRK who wanted to test a nuclear weapon and might presumably do so if there was not

progress in the talks. The comment did not contribute to the comity of the meeting or to any atmosphere of trust.

In addition to the United States' proposal, the ROK put forward a concrete, detailed proposal to achieve a denuclearized Korean Peninsula. The ROK proposal was consistent with the U.S. approach, but I will leave it to our South Korean ally to describe its proposal in more detail if it chooses. North Korea, too, participated actively in the plenary, offering a proposal for what it describes as the first step toward full denuclearization -- a freeze of its nuclear-weapons related programs in exchange for compensation from the other parties. The Japanese also had constructive ideas, strongly supporting proposals that would lead to the timely and comprehensive denuclearization of the Peninsula subject to international verification, and expressing a willingness to provide energy assistance to the DPRK when it is verified that the DPRK is actually on the road to denuclearization. The PRC, as host, played a role in bringing the parties to Beijing for the third round and vigorously sought agreement on the basic principles that would underlie any agreement on denuclearization. The Russian delegation, under the new leadership of Ambassador Alekseyev, also sought to promote agreement among all the parties, and offered details of their thinking. We had not expected breakthroughs and I have none to report to you. That said, all of the parties, including, in my view, the DPRK, went to Beijing prepared for substantive discussions.

While each party is pursuing its own interests in the talks, all have publicly embraced the goal of a denuclearized Korean Peninsula. I thought it was significant that Chairman Kim Jong Il discussed the talks when he met with Prime Minister Koizumi last month, affirming North Korea's commitment to them. That said, proposals offered by the parties differ very considerably in substance, as I will detail now.

The U.S. Proposal

The proposal the U.S. presented was developed in close coordination with the Republic of Korea and Japan. Under the U.S. proposal, the DPRK would, as a first step, commit to dismantle all of its nuclear programs. The parties would then reach agreement on a detailed implementation plan requiring, at a minimum, the supervised disabling, dismantlement and elimination of all nuclear-related facilities and materials; the removal of all

nuclear weapons and weapons components, centrifuge and other nuclear parts, fissile material and fuel rods; and a long-term monitoring program.

We envisage a short initial preparatory period, of perhaps three months' duration, to prepare for the dismantlement and removal of the DPRK's nuclear programs. During that initial period, the DPRK would:

- provide a complete listing of all its nuclear activities, and cease operations of all of its nuclear activities;
- permit the securing of all fissile material and the monitoring of all fuel rods, and;
- permit the publicly disclosed and observable disablement of all nuclear weapons/weapons components and key centrifuge parts.

These actions by the DPRK would be monitored subject to international verification.

At this juncture, I'll emphasize that, for the DPRK's declaration to be credible and for the process to get underway, the North would need to include its uranium enrichment program and existing weapons, as well as its plutonium program. As of now, the DPRK is denying that it has a program to enrich uranium, and it speaks of an existing "nuclear deterrent" but has refrained from stating publicly that it has "nuclear weapons."

Under our proposal, as the DPRK carried out its commitments, the other parties would take some corresponding steps. These would be provisional or temporary in nature and would only yield lasting benefits to the DPRK after the dismantlement of its nuclear programs had been completed. The steps would include:

- upon agreement of the overall approach, including a DPRK agreement to dismantle all nuclear programs in a permanent, thorough and transparent manner subject to effective verification, non-U.S. parties would provide heavy fuel oil to the DPRK.
- upon acceptance of the DPRK declaration, the parties would:

- provide provisional multilateral security assurances, which would become more enduring as the process proceeded. North Korea's rhetoric on this issue notwithstanding, I would like to point out that it is reasonable to conclude that security assurances given through the multilateral Six-Party process would have considerably more weight than would bilateral assurances;
- begin a study to determine the energy requirements of the DPRK and how to meet them by non-nuclear energy programs;
- begin a discussion of steps necessary to lift remaining economic sanctions on the DPRK, and on the steps necessary for removal of the DPRK from the List of State Sponsors of Terrorism.

Secretary Powell told the DPRK Foreign Minister, at the ASEAN Regional Forum in Indonesia on July 2, that the U.S. proposal aimed to move forward on the dismantlement of the DPRK's nuclear programs, and that there is an opportunity for concrete progress.

The DPRK Proposal

The DPRK proposal restated its goal of a freeze for rewards, including energy assistance, lifting of sanctions, and removal from the list of countries sponsoring terrorism. We are continuing to study the North's proposal. As I noted, it is clear we are still far from agreement.

Our initial assessment is that the DPRK proposal lacks detail and is vague on a number of key elements. The scope is narrow in terms of the facilities covered and it ignores pre-2003 plutonium, nuclear weapons, and the uranium enrichment program. North Korea would exclude the IAEA from verification, seeking to create a new verification regime from the Six-Party talks participants. This unprecedented approach would be hard to set up and carry out.

Still, there are some positive elements in positions the DPRK staked out. The DPRK claimed that the freeze would be the first step on the path to nuclear dismantlement, not an end to itself, and on that point we agree.

The DPRK also confirmed that whatever would be included in the freeze would also be included in the commitment to dismantlement further down the line.

Specifically, the DPRK said it would freeze all facilities related to nuclear weapons and the products that resulted from their operation, refrain from producing more nuclear weapons, transferring them, and testing them. The DPRK delegation clearly identified the 5-MWe reactor as a nuclear weapons facility. While they said they wanted to maintain a civil nuclear program, they also acknowledged that most of their nuclear programs are weapons-related.

We and other parties have questions about the DPRK proposal, including what the scope of the freeze and dismantlement would be. Again, inclusion of the DPRK's uranium enrichment program is critical. We will continue to seek answers through the Six-Party process, though we have made clear all along that we are not talking for the sake of talking and that we expect tangible progress to be made. To that end, the parties agreed to hold the fourth round of talks by the end of September and a working group meeting in the interim as soon as possible to prepare for the fourth round.

North Korea's Choice

Mr. Chairman, the Six-Party talks offer North Korea the opportunity to improve its relations with the United States and Japan, to end its self-induced political and economic isolation, and to harness the benefits of normal international trade and aid, including establishing relationships with the international financial institutions.

We have outlined what is necessary to transform our relations with the DPRK, just as we have with another nation long isolated in the international community, Libya.

President Bush in his February 11th remarks to the National Defense University called on other governments engaged in covert nuclear arms programs to follow the affirmative example of Libya. The Libyan case demonstrates, as President Bush has said, that leaders who abandon the pursuit of weapons of mass destruction and their delivery means will find an open path to better relations with the United States and other free nations. When leaders make the wise and responsible choice, they serve the interests

of their own people and they add to the security of all nations.

We have discussed Libya's example with our North Korean counterparts, and we hope they understand its significance.

Of course, to achieve full integration into the region and a wholly transformed relationship with the United States, North Korea must take other steps in addition to making the strategic decision to give up its nuclear ambitions. It also needs to change its behavior on human rights, address the issues underlying its appearance on the U.S. list of states sponsoring terrorism, eliminate its illegal weapons of mass destruction programs, put an end to the proliferation of missiles and missile-related technology, and adopt a less provocative conventional force disposition.

Against the backdrop of the Six-Party talks, the DPRK is undertaking measures in response to its disastrous economy. It is too soon to evaluate the nature or impact of these steps, but we hope they will serve as a foundation upon which to build improved economic relations with other countries in the future. By addressing the world's concerns about its nuclear programs and other issues, the DPRK would have both new resources and opportunities to pursue policies for peaceful growth in the region that is already perhaps the world's most vibrant, East Asia.

The international community ultimately will gauge the results of the Six-Party talks to assess the seriousness of the DPRK's professed willingness to give up its nuclear weapons programs. Although I remain optimistic on where the talks could lead, I personally could not say at this point that the DPRK has indeed made the strategic calculation to give up its nuclear weapons in return for real peace and prosperity through trade, aid and economic development. My hope is that the serious and extensive discussions with the United States, the Republic of Korea, Japan, China and Russia will convince the DPRK that a truly denuclearized Korean peninsula is its only viable option.

I believe that diplomacy is the best way to overcome North Korea's nuclear threat and that the Six-Party process is the most appropriate approach. Our aim is to fully and finally resolve the nuclear problem, not to implement half measures or sweep the problem under the rug for future policy makers to deal with. We are pursuing this course patiently and are committed to its success.

That concludes my statement, Mr. Chairman, and Mr. DeTrani and I look forward to responding to your questions.