U.S.-DPRK Missile Negotiations

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This paper reviews past and current U.S. efforts to negotiate limits on the indigenous missile program and missile exports of North Korea (also known as the Democratic People's Republic of Korea or DPRK). For most of the last decade, the missile issue has taken a back seat to U.S. efforts to deal with North Korea's nuclear threat, with the consequence that little progress was achieved on limiting North Korean missile development and exports. Within the missile issue, the main U.S. focus tended to be on limiting North Korean exports, especially to the Middle East. Less emphasis was placed on limiting North Korea's indigenous program, which was not viewed as a major threat by the United States or its East Asia allies before 1998.

In the brief period between the Taepodong-1 missile test of August 1998 and the end of the Clinton administration, the missile issue became the main focus of U.S. diplomacy towards the DPRK. As a result, Washington and Pyongyang reached agreement in September 1999 on a moratorium on additional long-range missile tests and came close to negotiating a framework for freezing major elements of North Korea's indigenous missile program and ending all missile-related missile exports. The clock ran out on the Clinton administration, however, before this comprehensive missile deal could be completed.

Rather than pick up where Clinton left off, the Bush administration decided in June 2000 to adopt a different diplomatic strategy, seeking North Korean concessions on nuclear and conventional arms issues, as well as the missiles, and offering fewer inducements for North Korean good behavior. With U.S.-DPRK negotiations expected to resume in the near future, it remains to be seen whether this new approach will be successful. In the meantime, Pyongyang has strong incentives to continue to observe the moratorium on long-range missile tests, but it continues and may have expanded its missile-related exports, especially to the Middle East.

FOCUSING ON THE NORTH KOREAN NUCLEAR THREAT

During most of the 1990s, the top priority of U.S. diplomacy with North Korea was dealing with the nuclear issue, which was viewed in Washington as the most immediate and most serious threat. U.S. allies, such as the Republic of Korea (ROK) and Japan, shared this view. Seoul has historically placed little emphasis on the North Korean missile threat, and acute concern about North Korean missiles did not emerge in Tokyo until after the 1998 Taepodong-1 test. Only Israel urged the United States to place more emphasis on stopping North Korean missile exports, but Israel grudgingly deferred to Washington's preference to deal with the North Korean nuclear threat as the first priority.

During the first Bush administration, Washington focused on obtaining DPRK acceptance and implementation of its fullscope safeguards obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and implementation of the 1991 North-South Denucleariza-

tion Declaration, although Undersecretary of State Arnie Kanter mentioned the missile issue in his historic January 1992 meeting with DPRK Minister of Foreign Affairs Kim Yong Nam as one of the issues that blocked better relations between Washington and Pyongyang.

Following North Korea's threat to withdraw from the NPT in March 1993, the Clinton administration again focused on the nuclear issue as the primary threat in the intense negotiations that produced the Agreed Framework in October 1994. Early in the Agreed Framework negotiations, North Korea tested its medium-range Nodong missile for the first time in May 1993, possibly to ratchet up political pressure, but the test hardly caused a stir in Washington or Tokyo.

Toward the end of the Agreed Framework negotiations, Ambassador Robert Gallucci warned his DPRK counterpart, Vice Foreign Minister Kang Sok Ju, that North Korean missile exports to Iran could undermine U.S. political support for improving U.S.-DPRK relations, and some U.S. analysts believe that these warnings may have temporarily delayed North Korean Nodong exports to Iran. As a place holder, the Agreed Framework also included an oblique reference linking further steps to improving bilateral U.S.-DPRK relations to progress on "other issues," a phrase which U.S. officials explicitly told the DPRK included missile exports.

In the immediate aftermath of the Agreed Framework in October 1994, however, Washington focused on implementing the nuclear deal, including the establishment of the Korean Peninsula Energy Development Organization (KEDO) in March 1995 and completion of a light water reactor (LWR) supply agreement between KEDO and North Korea in December 1995. During this period, Pyongyang apparently decided to expand its missile exports, reportedly selling Nodong technology to Iran for the first time.

In response to U.S. prodding, North Korea reluctantly agreed to the first round of U.S.-DPRK missile talks (between Bob Einhorn and Li Hyong Chol) in April 1996, followed by a second round more than a year later in June 1997. In these talks, the U.S. delegation sought to discuss limits on both exports and indigenous development, but the North Korean side absolutely refused to discuss its indigenous missile program, saying that this issue could not be separated from broader security issues on the peninsula, including the presence of U.S. forces. On exports, North Korea said it was willing to end exports in exchange for cash "compensation" for lost revenues. The United States refused to pay cash, but offered to take some additional steps to improve bilateral relations and lift some economic sanctions in exchange for restraint on missile exports. Within the U.S. government, there was consideration of proposing a limited agreement on missile exports, for example, terminating North Korean exports to Iran as a first step towards a broader ban.

THE MISSILE ISSUE TAKES OFF

The key turning point in the prominence of the missile issue came with the test of a Taepodong-1 missile as a space launch vehicle on August 31, 1998. Officially, Pyongyang explained the satellite launch attempt as a celebration of North Korean leader Kim Chong Il's ascension to power, but the timing may have been partly a reaction to growing strains in U.S.-DPRK relations following U.S. accusations that North Korea was constructing a secret underground nuclear facility at Kumchang-ni.

In Washington, the Taepodong test was politically significant for two reasons. First, in connection with concerns that North Korea was building a secret nuclear facility at Kumchang-ni in violation of the Agreed Framework, the missile test threatened to completely undermine Congressional support for the Clinton administration's controversial North Korea policy. Without Congressional support, including funding for KEDO, the Agreed Framework would collapse. Second, the Taepodong test shifted the domestic U.S. debate on missile defense in favor of those advocating rapid development and deployment of a national missile defense, even if it required withdrawal from the 1972 Anti-Ballistic Missile (ABM) Treaty, a position that the Clinton administration opposed.

For these two reasons—to salvage the Agreed Framework and to relieve domestic pressure for withdrawal from the ABM Treaty—the Clinton administration had strong incentives to focus more attention on dealing with the North Korean missile issue. Following the Taepodong launch, Washington officially warned Pyongyang that additional tests would jeopardize U.S. support for the Agreed Framework and humanitarian food shipments. Going a step further, Japan responded to the Taepodong test by temporarily suspending funding for KEDO and the LWR project. The ensuing confrontation also threatened to undermine ROK President Kim Dae Jung's "sunshine policy," aimed at improving North-South relations and providing substantial assistance to North Korea.

In response to this strong reaction, North Korea began to make concessions in subsequent rounds of negotiations between U.S. Ambassador Chuck Kartman and North Korean Vice Foreign Minister Kim Gye Gwan. In March 1999, North Korea agreed to a U.S. "visit" to Kumchang-ni, which took place in May and revealed that the underground structure did not appear to be designed to house a nuclear facility. In September 1999, the DPRK agreed to a moratorium on additional "long range" missile tests (covering both the Nodong and Taepodong missiles) in exchange for U.S. agreement to lift a number of economic sanctions.

From the North Korean standpoint, the test moratorium made a virtue of necessity. Both Washington and Tokyo warned Pyongyang that additional tests could lead to the collapse of the Agreed Framework and terminate food assistance, on which North Korea had become dependent. In addition, China and Russia reportedly urged North Korea to suspend additional missile tests, to avoid stimulating U.S. pursuit of national missile defense.

In response to the twin incidents of 1998 (the Kumchang-ni issue and the Taepodong test), which strengthened criticism of the Clinton administration's North Korea policy, the White House asked former Secretary of Defense William Perry in November 1998 to conduct an overall review of U.S. policy towards North Korea. Released in October 1999, the "Perry Report" essentially recommended that the United States offer to normalize relations with North Korea and lift economic sanctions if North Korea agreed to freeze and eventually dismantle its long-range missile force and end missile exports.

In the wake of the Perry Report, U.S. diplomats urged North Korea to begin serious negotiations on resolving the missile issue while the Clinton administration was still in office, but Pyongyang bided its time. In three more rounds of missile talks between Bob Einhorn and Jang Chang Chon in October 1998, March 1999, and July 2000, there was little progress. U.S. negotiators floated various ideas for limiting North Korea's indigenous missile programs, including the possibility of providing satellite launch services in place of North Korean SLV development, but Pyongyang continued to link any limits on its missile program to broader security issues on the peninsula. On missile exports, North Korean negotiators continued to insist on cash compensation, but began to hint that other forms of compensation might be considered.

A MISSILE OPPORTUNITY LOST

Toward the end of the Clinton administration, North Korea sought a grand missile bargain. In July 2000, during a visit by Russian President Putin to Pyongyang, North Korean leader Kim Chong Il floated a vague proposal for a comprehensive missile deal. Further details were provided during the visit of North Korean Vice Marshall Cho to Washington in September 2000 and the return visit of Secretary of State Albright to Pyongyang in October 2000.

In essence, Kim Chong Il said that North Korea would freeze development, production, deployment, and testing of missiles of over 500 km range in exchange for free launches of a few civilian satellites every year. In addition, Kim agreed to a total halt of all missile and missile-related exports in exchange for "in kind" compensation (i.e., barter rather than cash). From Pyongyang's standpoint, the missile deal was linked to broader steps to improve U.S.-DPRK relations, including a visit by President Clinton to Pyongyang and steps leading to diplomatic relations between Washington and Pyongyang.

Before agreeing to dispatch President Clinton to Pyongyang, however, Washington sought to clarify several issues in Kim Chong Il's proposal during a meeting between Bob Einhorn and Jang Chang Chon in Kuala Lumpur in November 2000. The key unresolved issues were:

(1) The type of missile covered by freeze: While North Korean officials acknowledged that Kim Chong Il's freeze proposal covered Nodong and Taepodong missiles, they were not prepared to include all Missile Technology Control Regime (MTCR)-class SCUD variants. Privately, the North Koreans argued that limits on its SCUD forces could only be considered in the context of broader security issues on the Korean peninsula.

(2) The disposition of existing missiles: The North Koreans were not willing to respond to U.S. proposals for a commitment to eliminate existing missile forces and production facilities. Privately, the North Koreans hinted that they could consider gradual elimination of Nodong and Taepodong missiles over an extended period of time in exchange for unspecified "compensation."

(3) Verification and monitoring procedures: The North Koreans agreed to the principle that some

"cooperative" mechanisms would be necessary to verify implementation of the missile freeze, but no details were agreed, and the North Koreans indicated strong opposition to on-site "inspections." Privately, North Korean officials hinted that they might accept "visits" to missile facilities in the context of converting the facilities to civilian use.

(4) The type and size of the compensation package: Although North Korea accepted the principle of barter instead of cash for ending all missile-related exports, and suggested that food or oil would be welcome, there was no agreement on the amount and nature of compensation that would be provided.

Although none of these outstanding issues appeared insurmountable, the Clinton administration ran out of negotiating time. In essence, North Korea promised that all issues could be resolved once the two presidents sat down together in Pyongyang, but the White House was not willing to risk a controversial presidential visit to North Korea without prior agreement on key issues. This tactical standoff, combined with the delayed outcome of the 2000 U.S. presidential elections and President Clinton's focus on the Middle East peace negotiations in his final months of office, doomed the effort to complete a U.S.-North Korea missile deal.

THE BUSH PLAN

When it took office in January 2001, members of the incoming Bush administration had divergent views on North Korean policy. Some Bush administration officials basically supported diplomatic engagement to limit North Korea's nuclear and missile programs, and wanted to pick up the missile negotiations where they left off at the end of the Clinton administration. Other Bush officials, however, opposed negotiated deals, which, they saw as paying "blackmail" that would help prop up a rogue regime that could not be trusted to abide by its commitments. These officials advocated a strategy of containing and isolating Pyongyang, hoping to hasten the collapse of the North Korean regime.

On June 6, 2001, the Bush administration issued a White House statement outlying its new strategy for dealing with North Korea, which essentially represented a compromise between these different views. According to the White House statement, the United States would pursue a "broad agenda," including "improved implementation of the Agreed Framework relating to North Korea's nuclear activities; verifiable constraints on North Korea's missile programs and a ban on its missile exports; and a less threatening conventional military posture."

If the North "responds affirmatively and takes appropriate action," the statement continued, the United States will "expand our efforts to help the North Korean people, ease sanctions, and take other political steps." In the meantime, Washington said it would continue to honor existing agreements and provide humanitarian food assistance, and offered to resume discussions with the DPRK "without condition."

In essence, the Bush approach preserved the existing U.S.-DPRK agreements to freeze plutonium production and long-range missile tests, and held open the possibility of engagement, but substantially toughened the U.S. negotiating position for future agreements. To protest this tougher U.S. position, Pyongyang initially refused to resume talks with Washington, instead embarking on a diplomatic campaign during the summer of 2001 to improve relations with Russia, China, and European countries and freezing North-South relations. During his meeting with an EU delegation headed by Swedish Prime Minister Persson, Kim Chong Il said that North Korea was still interested in a missile deal and promised that North Korea would continue its missile test moratorium until at least 2003.

The September 11, 2001, terrorist attacks complicated prospects for U.S.-DPRK negotiations further, hardening attitudes in Washington towards rogue regimes and leading to the inclusion of North Korea in President Bush's January 2002 "axis of evil" speech. Even after the President's speech, however, senior U.S. officials stressed that the United States was still prepared to resume discussions with Pyongyang, and President Bush avoided criticism of North Korea during his visit to South Korea in late January 2002.

In early April 2002, North Korea finally broke the diplomatic stalemate, offering to host a visit by the U.S. Special Representative Jack Pritchard to North Korea. Privately, North Korean officials claimed that Pyongyang had wanted to resume talks with the United States even earlier, but that it was impossible in the face of hostile U.S. rhetoric. The Bush administration, however, argued that its tough talk finally forced Pyongyang back to the negotiating table. In any event, Washington and

Pyongyang seem on track to resume discussions in the near future.

PROSPECTS FOR U.S.-DPRK NEGOTIATIONS

When U.S.-DPRK talks resume, prospects for progress on the missile issue are not bright. The Bush administration does not seem inclined to accept a stand-alone missile deal separate from its June 2001 "broad agenda." Such a broader deal would include North Korean concessions on its nuclear program and conventional arms, while Pyongyang is more comfortable with limited agreements on discrete issues. To the extent that the Bush administration has any priority among its different objectives, it appears to place greatest emphasis on securing North Korean agreement to begin cooperation with the IAEA under the terms of the Agreed Framework to account for North Korea's undeclared plutonium stockpile, rather than pursuing restraints on North Korea's missile program.

In any event, the Bush administration is deeply reluctant to provide symbolic or concrete benefits to compensate North Korea for limits on its missile program and exports, which North Korea is likely to require as part of any missile deal. For example, the Bush administration has been pointedly silent on the satellite launch-for-missile freeze proposal advanced by Kim Chong Il. Finally, the Bush administration is likely to demand highly intrusive verification measures for a missile agreement, which North Korea will resist.

Despite these obstacles to progress, the Bush administration may be in a strong position to extend North Korea's current missile test moratorium when it "expires" in 2003. The North Korean regime's survival continues to depend on assistance from the United States, ROK, and Japan, which would almost certainly be lost if the North provokes a crisis by resuming long-range missile tests. In addition, China, which would be compelled to make up vital assistance lost from other sources, is not likely to welcome North Korean provocations at this time.

Even if the moratorium is successfully extended, however, North Korea is likely to continue and even expand its missile exports to a wide range of customers in the Middle East and South Asia. Current customers include Egypt, Syria, Libya, Iran, and Pakistan. To deal with this danger, countries in addition to the United States, such as those European countries that have recently established relations with Pyongyang and old "friends" of North Korea, such as Russia and China, should press North Korea to limit its missile exports. Unfortunately, it will be difficult to halt North Korean missile-related exports without some measure of compensation. North Korea is under no legal obligation not to sell missiles, and the missile business is an important source of hard currency for the cash-starved regime.

In addition, Washington's ability to curb such missile exports through threats is limited. For example, if the United States threatens to cut off food assistance in response to North Korean missile exports, it could trigger another North Korean missile test. At least for the time being, with Washington's attention focused on the Middle East and the war against terrorism, there seems little appetite for pressuring Pyongyang in a way that could trigger a crisis on the peninsula.

CONCLUSION

The history of U.S. efforts to achieve limits on North Korean indigenous missile development and missile exports has produced few concrete results. For the most part, the United States has focused its political efforts and available leverage—in the form of threats and inducements—on constraining North Korea's nuclear weapons program, while relegating the missile issue to a lower priority. For a brief period at the end of the Clinton administration, a comprehensive missile deal was at hand, but the opportunity was lost. The Bush administration's current negotiating stance is unlikely to produce near term progress on the missile issue, although North Korea will be under strong pressure to extend its current moratorium on long-range missile tests after 2003. North Korean missile exports, however, are likely to remain a continuing problem, and it remains important for the Europeans, Russia, and China to join the United States in urging restraint in North Korea's missile exports.