



## **Hats off to Hill!**

*By Ralph A. Cossa*

Hats off to Assistant U.S. Secretary of State Christopher Hill! It's not exactly clear what he told (or promised) North Korean officials during his first-ever surprise visit to Pyongyang last week – or if the mere continuation of the long sought after one-on-one direct dialogue was sufficient – but Pyongyang has finally agreed to honor its commitment to begin the denuclearization process. As spelled out in the Feb. 13, 2007 Six-Party Talks “action for action” agreement, International Atomic Energy Agency (IAEA) officials are returning to Pyongyang to begin the process of shutting down and sealing the DPRK’s nuclear facilities at Yongbyon.

True, North Korea still had to be bribed to honor its promises – to the tune of \$25 million dollars – but in a refreshing twist, this time they were bribed with their own money, tainted though it may have been, via the release of frozen assets from Banco Delta Asia (BDA) in Macao. For this, American and South Korean taxpayers should be thankful.

Secretary Hill, ever the optimist, is hopeful that the first phase of the Feb. 13 agreement – the IAEA-monitored shutdown of all North Korean nuclear facilities at Yongbyon in return for an initial shipment of “emergency energy assistance” equivalent to 50,000 tons of heavy fuel oil – can be accomplished “probably within three weeks” and that the second phase – which includes the declaration and dismantlement of all nuclear facilities in return for an additional 950,000 tons of fuel oil or equivalent in aid – will still be realized by the end of the year.

Phase one was supposed to have been completed within 30 days, but the action plan had been sidetracked due to the failure of the Bush administration to honor an apparent side agreement – not contained anywhere in the Feb. 13 declaration – to allow Pyongyang to recover its alleged ill-gotten gains from Banco Delta Asia. Overcoming the “technical issues” created by its own financial restrictions proved more difficult (and time-consuming) than anyone in Washington had anticipated. As (should have been) anticipated, however, Pyongyang refused to proceed until the money was in its hands. Thanks to assistance from Dalkobank of Russia, the money has reportedly been successfully transferred to the Foreign Trade Bank of North Korea, for the intended (but unverifiable) purpose of “improving the standard of people’s living and humanitarian purposes” in the DPRK.

While this action appears sufficient to allow Pyongyang to proceed with its phase one commitments, it is doubtful we have heard the last of this “financial sanctions” issue, since overall U.S. warnings against doing business with Pyongyang reportedly remain in place. As one North Korean interlocutor announced at an international conference recently (see PacNet

27A), “Lifting financial sanctions is not simply a technical issue of withdrawing some amounts.” Permitting full access to the international banking system, North Korean officials have long insisted, “serves as a yardstick showing whether the U.S. is willing to drop its hostile policy” toward the DPRK.

The “proof” sought by Pyongyang that this policy has been eliminated has included demands for an end to U.S. military exercises in the South, the provision of light-water reactors, a peace treaty, acknowledgment of North Korea’s status as a nuclear weapons state on a par with the U.S., and full diplomatic recognition. Without such a demonstrated commitment by Washington to “peaceful coexistence,” Pyongyang maintains, “the Korean Peninsula will hold no prospect for denuclearization for an indefinite period.” Getting past the “hostile policy” hurdle is likely to take longer than the end of this calendar year (and likely to cost considerably more than the promised million tons of fuel oil or equivalent of total aid).

This is not to demean the significance of this long-awaited first step, but only to warn, as Secretary Hill himself has noted, that we remain “burdened by the realization of the fact that we are going to have to spend a great deal of time, a great deal of effort and a lot of work in achieving [our full objectives, that is, the complete denuclearization].” It is important to note also that, while the Feb. 13 agreement is touted as a denuclearization pact, there is no reference to the North’s presumed stockpile of actual weapons. It is not clear, at least from Pyongyang’s perspective, that this ultimate bargaining chip has yet been placed on the table.

While some have criticized both the release of the BDA funds and Hill’s trip to Pyongyang as “rewarding bad behavior,” they appear a small price to pay for shutting down the Yongbyon facilities and getting the ball rolling once again. But, while the State Department has been playing down the significance of Hill’s Pyongyang visit, describing it as part of “a full range of face-to-face consultations” in the region, similar to consultations with other members of the Six-Party Talks, Pyongyang needs to recognize it as the bold move that it was, especially given that Pyongyang had not yet begun the process of shutting down its nuclear facilities.

Hill’s visit should be viewed as a clear demonstration of the Bush administration’s sincerity and determination to move the process forward. It is now up to Pyongyang to reciprocate. All too often, conciliatory gestures are seen by Pyongyang as a sign of weakness or as an opportunity to make still more demands. This would be a huge mistake. As State Department spokesman Sean McCormack rightly noted, we are now at “an important moment in the Six-Party Talks because we are testing the proposition that North Korea has made that strategic decision to abandon its nuclear weapons programs and to abandon its nuclear programs.”

Further stalling and brinkmanship by Pyongyang is almost inevitable at some point as the process proceeds toward its ultimate goal of complete denuclearization, but a failure to proceed at this point with completion of phase one could undermine Hill's credibility – both in Washington and among his six-party partners – and bring the whole process to a grinding halt.

My guess is that the “shut down and seal” of the Yongbyon facilities will likely take place within the next few weeks. Pyongyang has little to lose here because, at any point, it could once again expel the IAEA and restart the reactor and reprocessing facility; abandonment or dismemberment of the facilities is still many months (and many tons of aid) away. More problematic is the “list of *all* its nuclear programs” that the North is committed to “discuss” during phase one (but apparently not actually required to provide until phase two). The emphasis here is on “all.”

Washington had previously made it clear that any declaration must include some admission of the existence of a not-so-secret (but to date denied) North Korean uranium enrichment program. However, Hill was somewhat circumspect on this point upon his return from Pyongyang, noting only that “we discussed the need to have a complete list of all nuclear weapons programs, and I would just say that all means all.” Defining “all” is likely to become the next major stumbling block, although it remains unclear whether this crisis will occur before or after the first phase is otherwise deemed to have been completed.

Plans are now reportedly underway for a new round of Six-Party Talks in Beijing, sometime in July, assuming that the IAEA inspectors are back in place by then and Yongbyon is shut down. Then there is the promised ministerial-level six-way meeting involving Secretary Rice and her North and South Korean, Chinese, Japanese, and Russian counterparts, most likely along the sidelines of the Aug. 2 ASEAN Regional Forum ministerial meeting in Manila. Secretary Rice would be ill-advised to proceed with such a meeting; however, unless *all* Pyongyang's nuclear-related programs have been fully identified and discussed by that time.

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