

The February 13 Agreement: A New Dawn for North Korea's Denuclearization?

Sangsoo Lee

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Executive Summary

The third session of the fifth round of the Six-Party Talks was held in Beijing on February 8–13, 2007, with the participation of North and South Korea, China, the United States, Japan, and Russia. The six parties agreed to achieve the early denuclearization of the Korean Peninsula in a peaceful manner. The February 13 Agreement constituted an important starting point for creating a breakthrough in the North Korean nuclear issue. After North Korea and the U.S. had reached an agreement, the two countries began a still ongoing process of disabling North Korea's nuclear facilities and promoting the normalization of the countries' diplomatic relations.

The aim of this paper is to analyze the February 13 Agreement's implementation along with the prospects for the denuclearization of North Korea. The paper starts with an overview of North Korea's complex fifty-year history of attempting to acquire nuclear power, then continues to describe the main topic: the February 13 Agreement.

Part One outlines the February 13 Agreement and its implementation until the end of 2007. It analyzes the February 13 Agreement by comparing it with the Agreed Framework.

Part Two analyzes the Bush Administration's abrupt turnaround in policy. Previously it had maintained a tough stance toward North Korea prior to reaching the February 13 Agreement. It is asserted that the U.S. has faced a "confidence dilemma" in the Middle East, and that the Republican Party's defeat in the Midterm election was a decisive factor behind Bush's new approach in regard to normalizing relations between the U.S. and North Korea.

Part Three explores the motivations behind North Korea's return to the Six-Party Talks. It seems likely that the key reasons were that the U.S. had made some changes and concessions in its hostile approach by proposing bilateral negotiations, lifting the sanctions on the BDA bank account, and by initiating a process toward the normalization of diplomatic relations.

Part Four examines why North Korea has started dismantling its nuclear program and strives toward the normalization of ties with the U.S. It can be argued that North Korea is trying to find a breakthrough so as to obtain security assurances from the U.S. and also as a means of attempting to settle its energy and economic problems.

After examining the external and internal factors at work in North Korea's current position regarding its nuclear issue, the paper concludes with a more general look ahead to the potential implications of the February 13 Agreement.

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Introduction

North Korea's attempts at acquiring nuclear capacity are rooted in a complex fifty-year history that can be traced back to U.S. President Dwight D. Eisenhower's threat of a nuclear attack against North Korea in 1953. In the decades following the Korean War (1950–53), North Korea proceeded to develop nuclear technology. In October of 2006, it conducted its first test of a nuclear device. Distrust and hostile relations between North Korea and the U.S. became increasingly deep-seated as this program evolved.

In the mid 1960s, the Soviet Union assisted North Korea in developing an atomic energy research complex near the small town of Yongbyon, located in North Pyong-an province, 103km north of the North Korean capital Pyongyang. In 1965, the Soviets provided a Soviet IRT-2M research reactor for the center.¹ During the 1980s, North Korea's focus turned to the practical uses of nuclear energy and to completing a nuclear weapons development system, and uranium fabrication and conversion facilities operation began. This involved the building of a 200MW nuclear reactor and nuclear reprocessing facilities at Taechon in North Pyong-an province and in Yongbyon. It has been estimated that these facilities are capable of producing 55 kg and 220 kg of plutonium per year, respectively, or enough for as many as 55 nuclear weapons.²

¹ Federation of American Scientists, "Nuclear Weapons Program: Current Status," November 16, 2006, <<http://www.fas.org/nuke/guide/dprk/nuke/index.html>> (accessed April 12, 2007)

² Daniel A. Pinkston and Stephanie Lieggi, "North Korea's Nuclear Program: Key Concerns," Center for Nonproliferation Studies, January 12, 2003, <<http://cns.miis.edu/research/korea/keycon.htm>>; David Isenberg, "North Korea's Nuke Capability," *Asia Times*, September 24, 2002, <<http://atimes.com/atimes/Korea/DI24Dgo5.html>> (accessed April 12, 2007)

This introduction looks at the North Korean nuclear issue in more recent times and focuses on the escalating confrontation between North Korea and the U.S. from the early 1990s.

In the early 1990s, North Korea was totally isolated from most other countries; communism in the USSR and Eastern Europe had collapsed, West and East Germany were reunited, and South Korea had established diplomatic relations with the USSR and China. Furthermore, North Korea had also begun to experience serious economic difficulties, which were leading to regime instability.

The North Korean leadership may have considered that the only way to overcome these international and domestic crises was to pursue the development of nuclear weapons. North Korea declared its withdrawal from the Non-Proliferation Treaty (NPT) on March 12, 1993. A tense nuclear crisis, known as the “First North Korean Nuclear Crisis,” soon followed, bringing the U.S. to the brink of war with North Korea. Indeed, the U.S. went so far as to prepare for the bombing of North Korea in June 1994.³ However, the crisis ended dramatically when Kim Il-Sung, the leader of North Korea at the time, allowed former U.S. President Jimmy Carter to visit North Korea in June 1994. Following two days of talks with Carter, Kim agreed to freeze North Korea’s nuclear program in exchange for the resumption of dialogue with the United States.⁴

As a result, delegations from the U.S. and North Korea held talks in Geneva to negotiate an overall settlement on the nuclear issue on the Korean Peninsula. Both sides signed the Agreement Framework Treaty on October 21, 1994. The main content of this agreement stipulated that the U.S. was to supply two 1,000 MW (e) light water reactor (LWR) power plants to North

³ Larry A. Niksch, “North Korea’s Nuclear Weapons Program”, Congressional Research Service, The Library of Congress, *Issue Brief for Congress*, April 28, 2003 <<http://fpc.state.gov/documents/organization/20241.pdf>> (accessed November 24, 2007)

⁴ Jimmy Carter, “President Carter: U.S.–North Korea War Seems ‘Strong Possibility’,” The Carter Center, *News & Publications*, September 2, 2003, <<http://www.cartercenter.org/news/documents/doc1444.html>> (accessed April 2, 2007)

Korea by way of the international consortium, Korea Energy Development Organization (KEDO), which was led by the United States, South Korea, and Japan. The agreement also included an allowance for North Korea to receive heavy oil, amounting to a total of 500,000 tons annually.⁵ This, in effect, initiated negotiations on diplomatic ties between the U.S. and North Korea, in exchange for the freezing of its nuclear facilities.

The Agreement Framework Treaty was a crowning achievement for U.S. President Bill Clinton and his dealings with North Korea. Clinton related the situation to the concept of “Democratic Enlargement” and so hoped that it would foster and consolidate democratic development and a market economy in North Korea over the long term.⁶ Clinton acknowledged that he would have to deal with North Korea over time and so continued his moderate policy toward the country as the nuclear crisis temporarily subsided.⁷ Toward the end of the Clinton Administration, in October of 2000, First Deputy Chairman of North Korea Jo Myongrok and U.S. Secretary of State Madeleine Albright exchanged visits. Prior to this, on June 15, 2000, the Inter-Korean Summit was hosted by the South Korean president Kim Dae-jung in order to promote dialogue between the two nations, while at the same time Japan sped up its attempts to improve its own relations with North Korea.

The momentum was thwarted, however, with the inauguration of U.S. President George W. Bush, who designated North Korea as part of the “Axis of Evil,” along with Iran and Iraq. The U.S. then invaded Iraq in 2003, overthrowing Saddam Hussein and indicated its willingness to do likewise in other nations, on a pre-emptive basis.⁸

⁵ Thomas L. Wilborn, “Strategic Implications of the U.S.–DPRK Framework Agreement,” Strategic Studies Institute of the U.S. Army War College, April 1, 1995, <http://www.fas.org/nuke/guide/dprk/nuke/us_dprk.pdf> (accessed April 2, 2007)

⁶ Douglas Brinkley, “Democracy Enlargement: The Bill Clinton Doctrine,” *Foreign Policy*, No. 106, Spring, 1997, pp. 110–27.

⁷ *Ibid.*

⁸ Paul Monk, “North Korea’s Nuclear Program: Getting Perspective and Weighing Policy Options,” *Melbourne Asia Policy Paper*, No. 4, December 2003, p. 3.

In October 2002, U.S. Assistant Secretary of State for East Asian and Pacific Affairs James Kelly visited North Korea. Kelly pressed hard on the issue of North Korea's Highly Enriched Uranium program (HEU). While the U.S. insisted that North Korea had a clandestine HEU program, North Korea denied such an accusation and responded that "as a sovereign state, its own plans did not concern the U.S."⁹ The U.S. insisted that such an attitude was evidence of North Korea's promotion of its HEU program.¹⁰ For this reason, the Bush Administration decided to end shipments of heavy oil to North Korea,¹¹ the delivery of which had been agreed upon as part of the Framework Agreement in 1994.

In early 2000, North Korea had expelled the International Atomic Energy Agency (IAEA) inspectors, and later withdrew from the NPT early in 2003, which resulted in what is known as the "Second North Korean Nuclear Crisis." Subsequently, North Korea restarted the reprocessing of 8000 nuclear fuel rods.¹² The rods had previously been sealed and stored under the control of the IAEA, based on negotiations with the Clinton Administration.

In July 2003, after North Korea had recycled its 8000 nuclear fuel rods, the U.S. began paying attention to the prospects of holding talks on the subject of the North Korean nuclear issue. The U.S. put forward the idea of holding Six-Party Talks with China as the host country. The first round of Six-Party Talks was held in August 2003. Six countries (South Korea and North Korea, United States, China, Japan, Russia) negotiated on North Korean problems, but were unable to reach any agreement for two years. The U.S. required that North Korea first dismantle its nuclear program, while North Korea demanded that the U.S. first guarantee the security of its regime.

⁹ Chung-in Moon and Jong-Yun Bae, "The Bush Doctrine and the North Korean Nuclear Crisis", *Asian Perspective*, Vol. 27, No. 4, Winter 2003, p. 12.

¹⁰ "Beyond the Agreed Framework: The DPRK's Projected Atomic Bomb Making Capabilities, 2002-09", Nonproliferation Policy Education Center, December 3, 2002, Appendix 1, December 2002, <www.npec-web.org/projects/fissile2.htm> (accessed April 4, 2007)

¹¹ "Timeline: N Korea Nuclear Stand-off," *BBC News*, December 6, 2007, <<http://news.bbc.co.uk/2/hi/asia-pacific/2604437.stm>> (accessed December 11, 2007)

¹² "North Koreans Claim a Provocative Nuclear Move", *USA Today*, May 11, 2005, <http://www.usatoday.com/news/world/2005-05-11-nkorea_x.htm> (accessed June 4, 2007)

It was not until September 19, 2005 that a Joint Statement was finally issued, based on the resolutions agreed upon in the fourth round of Six-Party Talks. The Joint Statement was a systematic roadmap, in which the North Korean regime was guaranteed economic compensation for the dismantlement of its nuclear program. This was an important step toward stabilizing the peace of the Korean Peninsula. Despite promises to implement the Joint Statement of Principle through concrete measures, relations between the U.S. and North Korea faced a dilemma, as the U.S. government investigated and openly addressed the issue of the counterfeiting of U.S. currency and other money laundering activities performed by North Korea. Subsequently, the U.S. imposed sanctions on North Korea's account with the Macau-based Banco Delta Asia (BDA) in September 2005.¹³ Reacting to this, North Korea insisted that it would not return to the Six-Party Talks while under financial sanctions from the U.S. The Bush Administration countered that the financial sanctions on North Korea were unrelated to the Six-Party Talks but rather had to do with the implementation of United States national law.

Feeling insulted and ignored, North Korea took a drastic step on July 4, 2006 by firing seven missiles, including one called Taepodong-2 with a range that could reach as far as Alaska.¹⁴ Furthermore, three months later, North Korea conducted a nuclear test in Hwaderi near Kilju city, on October 9, 2006.¹⁵ With these missile and nuclear tests, it is likely that North Korea wanted to attract Washington's attention, and press it toward the urgent resumption of talks.

¹³ The U.S. Department of the Treasury, "Treasury Finalizes Rule Against Banco Delta Asia: BDA Cut off from U.S. Financial System", HP-315, March 14, 2007, <<http://www.treasury.gov/press/releases/hp315.htm>> (accessed December 11, 2007)

¹⁴ Liu Lin, "The North Korean Nuclear Test and Its Implication," Central Asia-Caucasus Institute & Silk Road Studies Program, *Silk Road Paper*, November 2006, p. 13.

¹⁵ "U.S. Calls for Sanctions against North Korea," *CNN.com*, October 10, 2006, <<http://www.cnn.com/2006/WORLD/asiapcf/10/09/korea.nuclear.test/index.html>> (accessed December 11, 2007)

After the North Korean nuclear test, a detailed analysis of the North Korean nuclear issue became the focus of the February 13 Agreement, which leads to the main content of this paper.

1. The February 13 Agreement of the Six Party Talks

North Korean Nuclear Deal a “Breakthrough”

The North Korean nuclear test and the controversy over the U.S.-imposed sanctions on the North Korean accounts with Banco Delta Asia (BDA) in Macau were tricky issues hanging over the continuation of the Six-Party Talks.

Although the U.S went on to announce a range of sanctions against Pyongyang after the missile and nuclear tests, it agreed to the Berlin Meeting and dialogue with North Korea in January 2007, despite that the Bush Administration had refused to negotiate bilaterally with North Korea in the past. At the same time, North Korea also agreed to return to the Six-Party Talks aimed at the dismantlement of its nuclear facilities.

The third session of the fifth round of the Six-Party Talks was held in Beijing on February 8–13, 2007, with the Democratic People’s Republic of Korea, the Republic of Korea, the United States, China, Japan, and the Russian Federation as participants.¹⁶ The six parties agreed to create an initial phase for the implementation of the Joint Statement of September 19, 2005, which aimed to achieve the early denuclearization of the Korean Peninsula in a peaceful manner, in line with the principle of “action for action.”

The first phase required that, within 60 days, North Korea shut down and seal its nuclear facilities in Yongbyon, and invite back the IAEA to conduct

¹⁶ U.S. Department of State, Office of the Spokesman, “North Korea – Denuclearization Action Plan,” *Media Note*, February 13, 2007, <<http://www.state.gov/r/pa/prs/ps/2007/february/80479.htm>> (accessed March 14 2007)

all necessary monitoring verifications. In return, North Korea would receive five million tons of heavy fuel oil and the lifting of sanctions on the BDA accounts, which amounted to US\$25 million in frozen North Korean funds. North Korea's name would also be removed from the Terror-Supporting Nation list as a condition for establishing diplomatic relations with the U.S. The second phase of the strategy involved eliminating all of North Korea's nuclear weapons, programs and materials, in exchange for 95 million tons of heavy fuel oil. Additionally, in order to reach the goals of the February 13 Agreement, the six nations involved in the Six-Party Talks agreed to establish five working groups to create steps of implementation. The groups would address: 1. The denuclearization of the Korean Peninsula; 2. The normalization of relations between North Korea and the U.S.; 3. The normalization of North Korean and Japanese relations; 4. Economic and energy cooperation; 5. The establishment of a Northeast Asia peace and security mechanism.¹⁷

The February 13 Agreement mainly focuses on the dismantling of North Korea's nuclear programs, and also the support for its domestic energy problem from the other five parties to the talks. Thus, the February 13 Agreement is based on a "give-and-take" negotiation held between North Korea and other parties. In this regard, during the process of negotiation, there was indeed controversy over North Korea's "mudding-through" strategy, pursued in order to gain more benefits from other parties. At the beginning of the negotiations, for instance, North Korea requested the delivery of over 1,000,000 tons of heavy fuel oil per year, regardless of what phase of freezing, shutting down, or abolishing of the nuclear program it was at.¹⁸

¹⁷ Christopher R. Hill, "North Korea and the Current Status of Six-Party Agreement," Statement Before the House Foreign Affairs Committee, February 28, 2007, <<http://www.state.gov/p/eap/rls/rm/2007/81204.htm>> (accessed March 14, 2007)

¹⁸ "The February 13 Agreement," *Donga News*, February 13, 2007, <http://www.donga.com/fbin/output?rellink=1&code=at_&n=200702130488> (accessed March 13, 2007)

Therefore, the key point of negotiations was that the five parties decide how to arrange types, scale, time, and share of support to North Korea in accordance with practical action. The five nations tried to persuade North Korea to sign the agreement. China in particular, in keeping with its role as host nation, led negotiations and proposed agreement drafts through bilateral, trilateral, and multilateral talks. South Korea also played an important mediation role between North Korea and the U.S. As a result, North Korea eventually agreed to implement steps in dismantling its nuclear power plants; in exchange, on a “step-by-step” basis, it would receive 1,000,000 tons of heavy fuel oil.¹⁹

The February 13 Agreement was an important starting point for creating a breakthrough in the North Korean nuclear issue; a first step in the right direction of peacefully resolving the problem through dialogue. Still, it must be emphasized that it is nothing but an “Agreement,” not a “Resolution.”

An Overview of the February 13 Agreement and its Implementation

Although the February 13 Agreement was a breakthrough in many respects, its implementation faced obstacles since the agreement was done so quickly. The main roadblock was the BDA issue. The U.S. promised to “resolve” the status of the frozen North Korean assets at Banco Delta Asia (BDA) in Macau within 30 days.²⁰ The BDA issue again not only undermined the process of an agreement, but was also the reason why the agreement remained bottlenecked for more than two months. This may have been due to the technical problem of making a transaction in which the U.S. would fully release and transfer US\$25 million out of the BDA and into North Korean accounts. Yet North Korea wondered whether or not the U.S. would release the frozen money, and insisted that it would comply with the

¹⁹ U.S. Department of State, Office of the Spokesman, “North Korea – Denuclearization Action Plan.”

²⁰ Bruce Klingner, “Countering Pyongyang’s Next Steps in the Six Party Process,” The Heritage Foundation, *WebMemo* 1438, April 30, 2007, <<http://www.heritage.org/Research/AsiaandthePacific/wm1438.cfm>> (accessed March 22, 2007)

agreement only if the U.S. released all of its seized BDA funds and North Korea received the money in hand.²¹ As a result, the agreement failed to meet the deadline set for the first phase²² in shutting down and sealing the nuclear facilities in Yongbyon. The *Choson Sinbo*²³ reported that “We are disappointed that the U.S. broke the promise on the BDA issue, and think that the U.S. should honor its commitments.”²⁴ However, the BDA issue was resolved, eventually, when the funds were safely transferred to an account at a Russian bank in June 2007.²⁵

Progress on BDA apparently prompted North Korea to invite U.S. Assistant Secretary of State Christopher Hill to Pyongyang on June 21, the first visit by a high-ranking American diplomatic official in nearly seven years, since Secretary of State Madeline Albright’s visit in 2000. During his visit, North Korean officials conveyed their unambiguous commitment to implementing the February 13 Agreement.²⁶

As soon as the BDA issue was resolved, North Korea also invited officials from the IAEA. This resulted in the visit of an IAEA delegation to North Korea on July 14, 2007 for talks on verification and monitoring the shutdown of the Yongbyon nuclear facility.²⁷ Upon returning from the North on July

²¹ “Six-party talks to discuss progress on the 13 February deal stumble after Pyongyang says it is unable to access its funds in a Macau bank on 22 March, 2007.” “Timeline: N Korea Nuclear Stand-off.”

²² “Under the February 13 Agreement, North Korea had until April 14 to shut down and seal its nuclear reactor at Yongbyon, under IAEA monitoring, in exchange for an initial shipment of aid.” *Ibid.*

²³ The *Choson Sinbo* is a North Korean newspaper published in Japan. Its purpose is to propagate North Korean opinion to the outside world. In order to better understand North Korea’s stance, this paper draws heavily on materials published in this newspaper.

²⁴ “The Most Important Thing in the February 13 Agreement is ‘Word for Word’ and ‘Action for Action,’” *Choson Sinbo*, March 22, 2007, <<http://www.korea-np.co.jp/news/ViewArticle.aspx?ArticleID=25899>>(accessed April 12, 2007)

²⁵ “DPRK Money to be Transferred to Russia Bank: Official,” *People’s Daily Online*, June 15, 2007, <http://english.peopledaily.com.cn/200706/15/eng20070615_384420.html> (accessed October 18, 2007)

²⁶ Alexander Vershbow, “Prospects for U.S.–North Korea Normalization and a Peace Regime in Northeast Asia,” Remarks to Ground of Reconciliation & Coexistence, Hwagyesa Temple, Embassy of the United States, Seoul, Korea, *Embassy News*, July 11, 2007, <http://seoul.usembassy.gov/113_071107.html> (accessed December 8, 2007)

²⁷ IAEA, “News Update on IAEA and North Korea: Chronology Highlighting Key Events” (January–November, 2007), November 2007, <<http://www.iaea.org/NewsCenter/Focus/>>

16, the head of the IAEA delegation, Olli Heinonen, confirmed that North Korea had started shutting down Yongbyon.²⁸

After the visit of the IAEA to North Korea, the Delegation Meeting of the Sixth Round of the Six-Party Talks was held in Beijing on July 18–20, 2007. According to the agreement reached at this Delegation Meeting:

1. North Korea reiterated that it would earnestly implement its commitments to a complete declaration of all nuclear programs and the disablement of all existing nuclear facilities.
2. Economic, energy, and humanitarian assistance up to the equivalent of 950,000 tons of heavy fuel oil (HFO) would be provided to the DPRK by the relevant parties.
3. Before the end of August, Five Working Groups would convene in their respective meetings to discuss plans for the implementation of a general consensus.²⁹

About two months later, the Second Session of the Sixth Round of the Six-Party Talks concluded on October 3, 2007 with the release of a statement outlining a second phase of actions to implement the February 13 Agreement of 2007. According to the agreement of this round of the Six-Party Talks:³⁰

1. North Korea agreed to disable all existing nuclear facilities subject to abandonment under the February 13 Agreement; this included the disablement of the 5 megawatt experimental reactor at Yongbyon, the reprocessing plant (Radiochemical Laboratory) at Yongbyon, and the

IaeaDprk/chrono_jan2007.shtml#november07> (accessed December 8, 2007)

²⁸ "Timeline: N Korean Nuclear Stand-off."

²⁹ Ministry of Foreign Affairs of the People's Republic of China, "Press Communiqué of the Head of Delegation Meeting of the Sixth Round of the Six-Party Talks," July 20, 2007, <<http://www.fmprc.gov.cn/eng/zxxx/t342668.htm>>(accessed December 11, 2007)

³⁰ U.S. Department of State, Bureau of International Information Programs, "Six-Party Talks Agree on Second-Phase Actions; North Korea agrees to disable nuclear facilities by December 31," October 3, 2007, <<http://usinfo.state.gov/xarchives/display.html?p=washfile-english &y=2007&m=October&x=20071003132632frnedloho.4393579>> (accessed October 20 2007)

nuclear fuel rod fabrication facility at Yongbyon, to be completed by December 31, 2007.³¹

2. North Korea agreed to provide a complete and correct declaration of all its nuclear programs, in accordance with the February 13 Agreement, by December 31, 2007.

3. North Korea reaffirmed its commitment not to transfer nuclear materials, technology or know-how to other countries.

4. North Korea and the U.S. remained committed to improving their bilateral relations and moving toward a full diplomatic relationship in the Working Group on Normalization of North Korea–U.S. Relations, recalling commitments to begin the process of removing the designation of North Korea as a state sponsor of terrorism and advancing the process of terminating the application of the “Trading with the Enemy Act,” with respect to North Korea.

5. North Korea and Japan agreed to make sincere efforts to normalize their relations expeditiously in accordance with the Pyongyang Declaration, on the basis of settling unfortunate events from the past and other outstanding issues of concern.

6. Economic, energy, and humanitarian assistance up to the equivalent of one million tons of HFO (inclusive of the 100,000 tons of HFO already delivered) would be provided to North Korea. Specific modalities would be finalized through discussion by the Working Group on Economic and Energy Cooperation.³²

The U.S. Assistant Secretary of State Christopher Hill visited North Korea again for talks with the North Korean foreign minister on December 4, 2007.

³¹ Ministry of Foreign Affairs of Japan, “Second-Phase Actions for the Implementation of the Joint Statement,” October 3, 2007, <http://www.mofa.go.jp/region/asia-paci/n_korea/6party/action0710.html> (accessed December 11, 2007)

³² Ministry of Foreign Affairs of South Korea, “Daily Press Briefing: The Informal Heads of Delegations Meeting for the Six-party Economic and Energy Cooperation Working Group will be held on December 12,” December 10, 2007, <<http://www.mofat.go.kr/index.jsp>> (accessed December 11, 2007)

After visiting the Yongbyon facility, he said that “progress on disabling is going well.”³³ As soon as Hill returned to the United States, U.S. President Bush sent a letter to Kim Jong-il on December 6, urging him to follow through on North Korea’s pledge to reveal full details of its nuclear program.³⁴ The letter – thought to be President Bush’s first direct communication with the North Korean leadership – came amid uncertainty over when and how Pyongyang would meet nuclear disarmament deadlines under the February 13 Agreement. North Korea had pledged to disable its main nuclear facilities at Yongbyon and hand over complete details of its nuclear programs by December 31, 2007.³⁵

Is the February 13 Agreement of 2007 nothing but the Agreed Framework of 1994?

In the aftermath of the February 13 Agreement of 2007, the outcome was compared with that of the previous Agreed Framework of 1994. John Bolton, formerly U.S. ambassador to the United Nations, criticized the February 13 Agreement of 2007, claiming that, in essence, it amounted to nothing more than the failed Agreed Framework of 1994.³⁶ After the North Korean nuclear test in 2006, a resolution of the current North Korean nuclear issue necessitated a more detailed plan for the dismantlement of its nuclear programs than was the case at the time of the Agreed Framework in 1994.

However, although the February 13 Agreement still undoubtedly has some weak points, it was a breakthrough, because it led to the resolution of the Second North Korean Nuclear Crisis.³⁷ The main differences between the two Agreements are outlined below:

³³“Timeline: N Korea Nuclear Stand-off.”

³⁴ *Ibid.*

³⁵ “North Korea Nuclear Deal”, *BBC News*, December 6, 2007, <<http://news.bbc.co.uk/2/hi/asia-pacific/2340405.stm>>(accessed 11 December, 2007)

³⁶ The Brookings Institution, Center For Northeast Asian Policy Studies, “Update On The Six-Party Talks With Christopher R. Hill,” February 22, 2007,<<http://www.brookings.edu/comm/events/20070222hill.pdf>> (accessed March 19, 2007)

³⁷ In October 2002, the United States accused North Korea of developing the capabilities to enrich uranium. North Korea reciprocated with the expulsion of IAEA inspectors from the

1. Under the terms of the Agreed Framework in 1994, the U.S. agreed to arrange for the financing of two light-water nuclear power plants in North Korea, and for the annual shipment of 500,000 tons of heavy fuel oil as an alternative source of energy until the new reactors came online. From 1995 to 2002, the U.S. provided over US\$400 million in energy assistance to North Korea unconditionally, without the reciprocal dismantlement of nuclear facilities by North Korea.³⁸ Meanwhile, under the February 13 Agreement, the total amount of energy aid granted to North Korea is strictly regulated. This is different from the Agreed Framework in which yearly amounts of standard heavy fuel oil were not subject to regulations. That is to say that now, if North Korea wanted to receive 1,000,000 tons of heavy fuel oil quickly, it would be necessary for it to hurriedly take concrete measures toward dismantling its nuclear program.

2. In the Agreed Framework the content of aid to North Korea is just generally mentioned, such as heavy fuel and light water reactors. Meanwhile, in the February 13 Agreement, besides energy aid, detailed measures also state that the U.S. intends to remove North Korea from both its list of Terror-Sponsoring States and from the Trading with Enemy States list.

3. The objectives of the Agreed Framework focused heavily on maintaining stability on the Korean Peninsula. However, the February 13 Agreement is focused not only on the Korean Peninsula, but also on various issues brought to light through the five working groups, which cover issues such as Northeast Asian peace, North Korea–U.S. relations, North Korea–Japan relations, and aid to North Korea, among others.

Yongbyon complex in December 2002. See Bong-geun Jun, "North Korean Nuclear Crises: An End in Sight," *Arms Control Today*, January/February, 2006, <http://www.armscontrol.org/act/2006_01_02/JANFEB-NKCover.asp> (accessed April 13, 2007)

³⁸ Mark E. Manyin and Ryun Jun, "U.S. Assistance to North Korea," Congressional Research Service, The Library of Congress, *CRS Report for Congress*, March 17, 2003, <<http://www.nautilus.org/DPRKBriefingBook/uspolicy/CRSUSAidtoDPRK.pdf>> (accessed April 13, 2007)

4. The heavy fuel oil and light-water nuclear power plants were the key compensation items of the Agreed Framework. The February 13 Agreement, however, has a broader array of potential compensation items for North Korea, such as light fuel oil, electricity generators, and humanitarian food. During negotiations, Russia even declared that North Korea's current debt, which is estimated at US\$8 billion (including interest), could be reduced as part of compensation.³⁹

Although the February 13 Agreement is advanced in many respects when compared to the Agreed Framework, it is hard to deny that some weaknesses still remain in the February 13 Agreement's ability to implement the dismantlement of all North Korean nuclear programs. There are outstanding concerns about the possibility that North Korea will not completely abolish all of the nuclear materials and weapons that have been produced, largely due to the fact that the contents of the Agreement do not specifically address North Korea's already produced HEU nuclear materials. This means that the Agreement only addressed the nuclear facilities at Yongbyon. Therefore, it is possible that serious disputes will erupt over the denuclearization of North Korea if the country excludes highly enriched uranium from the lists given to the IAEA detailing its nuclear program.

On the other hand, there is no mention of the issue of light-water reactors in the February 13 Agreement. This issue could encounter great difficulties because it was the hardest obstacle to overcome in the process of attaining the Agreed Framework of 1994. It is therefore a possibility that North Korea will demand the construction of light-water reactors before the dismantlement of nuclear facilities. The *Choson Sinbo* evaluates that "the reason why North Korea could not make concessions on the delivery of a light water reactor is that it is the key point of its national energy policy."⁴⁰

³⁹ Sergei Blagov, "Russia Mulls North Korean Debt Write-Off," *Eurasia Daily Monitor*, January 22, 2007, <http://jamestown.org/edm/article.php?article_id=2371826> (accessed April 13, 2007)

⁴⁰ "The Supporting Energy is not the Problem of just Figures but Political Problem," *Choson Sinbo*, April 12, 2007, <<http://www.korea-np.co.jp/news/ViewArticle.aspx?ArticleID=25335>>

Matters are made even more complex for these discussions because of the abduction issue that exists between North Korea and Japan. Japan insisted that it would not give any aid to North Korea unless clear progress was made on the “abduction issue.” This refers to the Japanese citizens abducted by North Korean agents during the 1970s and 1980s. Five of the abductees have been returned to Japan, but others are still missing.⁴¹ Still, during the consultation between the head of the delegation of Japan and that of North Korea, which took place during the Head of Delegation Meeting of the Six-Party Talks held in Beijing until July 20, 2007, it was concluded that although both the Six-Party Talks and Japan–North Korea relations had their difficulties, Japan and North Korea would both make efforts toward the resolution of these problems.⁴²

(accessed April 14, 2007)

⁴¹ According to the Japanese Ministry of Foreign Affairs, “As of May 2004, five abductee victims and their families (ten in total) have returned from North Korea. However, there are still a great number of alleged victims who are missing.” See Ministry of Foreign Affairs of Japan, “Abduction of Japanese Citizen by North Korea,” April 2006, <http://www.mofa.go.jp/region/asia-paci/n_korea/abduction.pdf> (accessed April 14, 2007)

⁴² Ministry of Foreign Affairs of Japan, “North Korea Foreign Ministry’s Memorandum on the Abduction Issue July 30, 2007”, August 28, 2007, <http://www.mofa.go.jp/announce/announce/2007/7/1174624_830.html> (accessed December 8, 2007)

2. The Bush Administration's Policy toward North Korea

In this part, the paper explores the Bush Administration's strategy concerning North Korea prior to the February 13 Agreement, and examines the factors that have forced President Bush into an about-face in his North Korea policy, resulting in a greater focus on the maximizing of peaceful and diplomatic efforts.

The Bush Administration's Strategy toward North Korea and Pyongyang's View

Up until the February 13 Agreement, Bush had stuck to a tough policy on North Korea. During his first term in office, his declared policy was consistently hostile. Bush first asserted that North Korea was part of the "Axis of Evil," along with Iraq and Iran, in 2002; stated that North Korea was an "Outlaw Regime" in 2003; called the nation "the Most Dangerous Regime" in the world in 2004; and branded it as a remaining "Outpost of Tyranny" in 2005.⁴³

The main objective of the Bush Administration over time has been to secure the dismantlement of North Korea's nuclear program. The strategy during President Bush's first term is outlined below:

- (1) Terminating the Agreed Framework;
- (2) Withholding U.S. reciprocal measures until North Korea takes steps to dismantle its nuclear programs;
- (3) Assembling an international coalition, through six party negotiations, to

⁴³ Daniel A. Pinkston, "Outposts of Tyranny North Korea," *Washington Post*, April 19, 2005, <<http://www.washingtonpost.com/wp-dyn/articles/A28189-2005Apr5.html>> (accessed April 22, 2007)

apply diplomatic and economic pressure on North Korea; and (4) Imposing financial sanctions on foreign banks that facilitate North Korea's illegal counterfeiting activities.⁴⁴

The goal of the Bush administration in its first term was to slander North Korea's regime and wait for its impending collapse, while following a strategy of isolating it diplomatically and economically.⁴⁵ Kim Myong-chol, who is often called an "unofficial" spokesman for North Korea⁴⁶ said in October 2006, "It is sheer illusion to think that sanctions and isolation will stop North Korea from the development of nuclear weapons. U.S. hostility, threats and sanctions are the very engines that have propelled the development of nuclear weapons. Absent U.S. hostility, nuclear blackmailing, sanctions, threats of isolation and regime change, the Kim administration would never have thought at all of acquiring nuclear deterrence."⁴⁷ This statement demonstrated strong North Korean distrust of the U.S.

In the view from Pyongyang, "President Bush made North Korea fail to find any credible reason to negotiate with the U.S. The U.S. puts its dialogue partner, North Korea, in dishonor, and this is not what we call a sincere approach to resolving the nuclear issue."⁴⁸ Furthermore, "The sole

⁴⁴ Larry A. Niksch, "North Korea's Nuclear Weapons Program, " Congressional Research Service ~ The Library of Congress, *CRS Report for Congress*, August 1, 2006, <<http://fpc.state.gov/documents/organization/71870.pdf>> (accessed March 24, 2007)

⁴⁵ "The first was a set of policies enacted in President George W. Bush's first term that were directed to end the North Korea regime: collapse. Despite the emotional appeal in the United States of terminating the evil north Korean regime, the collapse approach was neither welcomed nor supported in the Northeast Asia region, as it tended to feed confrontation and crisis and led to North Korea's withdrawal and isolation from the international community," See Jun, "North Korean Nuclear Crises."

⁴⁶ Kim Myong-chol is author of a number of books and papers in Korean, Japanese, and English on North Korea. He is executive director of the Center for Korean-American Peace. He has a PhD from the DPRK Academy of Social Sciences and is often called an "unofficial" spokesman of Kim Jong-il and North Korea.

⁴⁷ Kim Myong Chol, "Kim's Message: The War is Coming to U.S. Soil," *Asia Times Online*, October 6, 2006, <<http://www.atimes.com/atimes/Korea/HJ06Dgor.html>> (accessed March 24, 2007)

⁴⁸ An Sang Nam, "The View from Pyongyang: Why North Korea Isn't Talking," *Asia Times Online*, June 11, 2005, <<http://www.atimes.com/atimes/Korea/GF11Dgor.html>> (accessed April 22, 2007)

reason for the development of nuclear weapons is more than 50 years of direct exposure to blatant nuclear threats and sanctions from the U.S. The U.S.'s hostile policy towards the Democratic People's Republic of Korea (DPRK) and its arms buildup constitutes a major factor threatening security in this region. For all intents and purposes, this is the fault of the U.S."⁴⁹

According to North Korea, developing a strong military program and nuclear weapons to use against the U.S.'s anti-North Korea policy is the best course of action.⁵⁰ As such, North Korea has always insisted that it will not give up its nuclear programs until the U.S. ends its "hostile policy" toward North Korea. In essence, North Korea regards the U.S. attitude toward them as a critical element that is fueling their nuclear strategy.

The Bush Administration's New Realism

On November 7, 2006, midterm elections were held in the U.S. The outcome of the election saw the Democrats take majority control of both the House of Representatives and the Senate for the first time in a dozen years.⁵¹

The Democratic Party criticized the Bush Administration for its failed North Korean nuclear policy prior to the February 13 Agreement. After North Korea's nuclear test, the Democratic Party said that "over the last four years, the Bush Administration has outsourced our diplomacy with North Korea to other nations and failed to take the lead in making sure America remains safe and secure."⁵² The Democrats called for bilateral talks between the U.S. and North Korea in order to find a solution to the nuclear issue, as well as a more comprehensive approach using both carrots and sticks as part of negotiations. In contrast, the Bush Administration

⁴⁹ Kim, "Kim's Message: The War is Coming to U.S. Soil".

⁵⁰ An, "The View from Pyongyang."

⁵¹ "Bush Promises Cooperation as Senate Shifts," *CNN News*, November 9, 2006, <<http://www.cnn.com/2006/POLITICS/11/09/election.main/index.htm>> (accessed July 24, 2007)

⁵² The Democratic Party, "The Bush Administration's Failed North Korea Policy," October 9, 2006, <http://www.democrats.org/a/2006/10/the_bush_admini_2.php> (accessed December 10, 2007)

emphasized multilateral talks while pursuing a unilateral approach of sanctions and pressure.⁵³

As the Democrats' victory in the midterm elections influenced the foreign policy of the Bush Administration toward North Korea, it was highly likely that the means of resolving the North Korean nuclear issue would switch from the single track approach of sanctions to a two-track diplomacy of pressure and negotiations.⁵⁴ Furthermore, the Bush Administration itself underwent reshuffling, particularly after the Midterm Elections, which rendered a decline in the number of hardliners on the issue of North Korea. For instance, the U.S. Ambassador to the United Nations, John Bolton, resigned from his post, and the Secretary of State for Arms Control and Security, Robert Joseph, left his office. All this has inevitably impacted on foreign policy.

And so, instead of ardent neo-conservatives, Assistant Secretary of State Christopher Hill, who was named the Head of the U.S. delegation to the Six-Party Talks, and the more realist-leaning Secretary of State Condoleezza Rice, appeared in the Bush Administration as the key decision-makers behind the U.S.'s North Korean policy. Since the bilateral meeting between the U.S. and North Korea in Berlin in January 2007, Bush has entrusted Rice and Hill with leading the U.S.–North Korean negotiations, and later commended them for their hard work.⁵⁵

North Korea's attitude toward the Bush Administration has also changed to a positive one after the February 13 Agreement. The *Choson Sinbo* even went so far as to praise the political will and determination of President Bush.⁵⁶

⁵³ Moo-jin Yang, "The Democratic Party's Victory in the U.S. Midterm Elections and the North Korean Nuclear Issue," Nautilus Institute, *Policy Forum Online* 06-101A, December 5, 2006, <<http://www.nautilus.org/fora/security/06101Yang.html>> (accessed March 24, 2007)

⁵⁴ *Ibid.*

⁵⁵ U.S. Department of State, "Statement by President Bush on Six Party Talks," February 13, 2007, <<http://www.state.gov/p/eap/rls/ot/2007/80491.htm>> (accessed March 24, 2007)

⁵⁶ Bak Hak-sun, "Finally, It Started a 'Melting Nuclear Ice'" (I), Civil Network for a Peaceful Korea, March 3, 2007, <<http://www.peacekorea.org/main/board/view.php?id=briefing&no=690>> (accessed March 18, 2007)

North Korea might consider the current political situation in the U.S. as favorable, and expect that the U.S. will continue to maintain a more moderate view in the foreseeable future. Still, North Korea might also be aware that the incumbent administration cannot neglect public opinion and the views of an opposing political party. Thus, North Korea recognizes the Bush Administration's problematic political situation, and seeks to squeeze maximum concessions out of the administration by leveraging its understanding of those circumstances.

A Dilemma in the Middle East

The Bush Administration is confronted with severe problems in Iraq and Afghanistan, as well as by the Iranian nuclear issue. By September 2007, a total of at least 3,801 U.S. service members had died in Iraq since the war began in March 2003.⁵⁷ On February 5, 2007, the U.S. Defense Department submitted a US\$94.4 billion FY2007 supplemental request. If enacted, the Department's total emergency funding for FY2007 would amount to US\$163.4 billion or 40% more than the previous year and 50% more than the Office of Management and Budget (OMB) had estimated during the previous summer.⁵⁸

Given mounting casualties and costs, U.S. foreign policy can be seen as floundering in the Middle East. Accordingly, the Bush Administration has hoped to achieve some breakthrough in the dilemma in the Middle East. A comparison can be made with the Vietnam War; the U.S. was able to establish diplomatic ties with China, thus marking a breakthrough in regard to its dilemma in Vietnam. The veteran Watergate reporter Bob Woodward, in his new book *State of Denial: Bush at War Part III*, says that President Bush has sought advice on today's conflict from Henry Kissinger, who

⁵⁷ "U.S. Military Death Toll Down in Iraq," *ABC News Online*, October 1, 2007, <<http://abcnews.go.com/International/wireStory?id=3673415>> (accessed October 3, 2007)

⁵⁸ Amy Belasco, "The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11," Congressional Research Service, The Library of Congress, *CRS Report for Congress*, March 14, 2007, <<http://www.comw.org/warreport/fulltext/0703CRSRL33110.pdf>> (accessed March 24, 2007)

played a critical role in the U.S. establishing diplomatic ties with China in the early 1970s. According to Woodward, Kissinger told U.S. President Bush that “victory is the only exit strategy” for Iraq.⁵⁹ Therefore, it is possible that the Bush Administration plans to recover, or at least deflect, from the failure in the Middle East through establishing diplomatic ties with North Korea.

In sum, against such a background, North Korea perceives an international society that has its hands full with political turbulence in Iraq and Iran, and is aware of the weaknesses of the Bush Administration in terms of its foreign policy in the Middle East.

⁵⁹ “New Woodward Book Exposes Bush’s Iraq Failures,” *CTV.ca News*, September 29, 2006, <http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20060929/Henry_Kissinger_060929?s_name=&no_ads=> (accessed April 13, 2007)

3. The Issues with North Korea's Motivation to Return to the Six-Party Talks

North Korea finally agreed to return to the Six-Party Talks, which resumed on February 8, 2007 in Beijing. According to the *Choson Sinbo*, North Korea had consistently insisted that “to take the dismantlement of nuclear facilities, the U.S. should facilitate a conducive environment to make it easier for North Korea to start dismantlement.”⁶⁰ North Korea's acceptance of the February 13 Agreement indicates that it has either relaxed its earlier demands or believes that the U.S. has given with certain assurances that a satisfactory resolution will be forthcoming.⁶¹ Focusing on the interaction between the U.S. and North Korea the following is an analysis of the motivations behind North Korea's agreement to return to the Six-Party Talks.

Bilateral Negotiations

North Korea has consistently requested bilateral dialogue with the U.S. since President Bush took office. Pyongyang considers the U.S. (not South Korea) its most important negotiation partner, because it regards the U.S. as the greatest threat to its security. Correspondingly, it sees the U.S. as the main security underwriter of South Korea, as it was with the U.S., not South Korea, that it signed the Armistice Agreement in 1953.⁶²

⁶⁰ “Decision and Negotiation for Decision,” *Choson Sinbo*, February 9, 2007, <<http://www.korea-np.co.jp/news/ViewArticle.aspx?ArticleID=25284>> (accessed April 22, 2007)

⁶¹ Bruce Klingner, “North Korea Nuclear Weapons Agreement Falls Short,” The Heritage Foundation, *WebMemo* 1358, February 13, 2007, <<http://www.heritage.org/Research/AsiaandthePacific/wm1358.cfm>> (accessed March 22, 2007)

⁶² Larry Niksch, “North Korea's Campaign against the Korean Armistice (95-1187 F),”

What is more, North Korea pursues bilateral talks because it does not believe that China and Russia will truly promote the interest of North Korea through multilateral talks. North Korea can be seen as willing to exclude China from the talks between the U.S. and itself, evidenced in North Korea requesting Berlin as the venue for bilateral talks in January of 2007, rather than Beijing, where the former talks were held. North Korea even made a statement that: “the U.S. too greatly overestimates Chinese influence on North Korea.” North Korea has emphasized that the U.S. should engage in direct dialogue to settle the problem of the dismantlement of North Korean nuclear weapons and the creation of diplomatic ties in North Korea–U.S. relations, without the need for a third party.⁶³

Meanwhile, the U.S. has preferred multilateral talks. If the U.S. were to pursue direct dialogue with North Korea, the U.S. would then be required to shoulder full responsibility for the results of the negotiation. This would include making the U.S. the sole provider of economic aid to North Korea, which would be a great burden. The U.S. is also aware of the fact that Japan, South Korea, and China are all within North Korea’s nuclear range, which necessitates that these countries participate in multilateral talks to resolve the North Korean nuclear issue for the sake of their own country’s security. The U.S. also saw that it could use China to persuade North Korea to give up its nuclear programs. On the other hand, it did not want to continue Clinton’s policy of the Agreement Framework because it was based on bilateral talks.

Nevertheless, the Bush Administration accepted the request of North Korea to hold bilateral talks, known as the Berlin Meeting, in January 2007. The *Choson Sinbo* commented that “the U.S. approached bilateral discussions with North Korea in Berlin, though there has never been good progress

Nautilus Institute, *DPRK Briefing Book*, December 11, 1995, <<http://www.nautilus.org/DPRKBriefingBook/armistice/DPRKCampaign.html>> (accessed October 18, 2007)

⁶³ Esther Pan, “The China-North Korea Relationship,” Council on Foreign Relations, July 11, 2006, <<http://www.cfr.org/publication/11097/>> (accessed March 22, 2007)

before.”⁶⁴ North Korean negotiator Vice Foreign Minister Kim Gyegwan claimed to have achieved a “certain agreement” and established “direct dialogue” with his U.S. counterpart Christopher Hill during their Berlin discussions.⁶⁵

In the Berlin meeting, they agreed on the basic outlines of an accord that was formally adopted on February 13 by all members of the resurrected Six Party Talks.⁶⁶

Firstly, North Korea raised the issue of energy assistance and its need for heavy fuel oil. The envoys decided that North Korea would receive oil shipments but quibbled over the timing. Hill said oil could be shipped as long as the North Koreans agreed to close and seal their Yongbyon nuclear reactor and processing center within 45 days. Kim countered with 90 days; they settled on 60 days.⁶⁷

Secondly, the U.S. addressed the possibility of lifting all sanctions on the BDA accounts in Macau.

Thirdly, the U.S. promised to exclude North Korea from the list of Terror-Sponsoring countries and the Trading with Enemy States Act, something which North Korea had been eagerly anticipating.⁶⁸

The U.S. acceptance of North Korea's request for bilateral talks in the Berlin Meeting might be one of the reasons why North Korea returned to the Six-Party talks, as the North Korean regime thinks that it is significant that the U.S. is potentially prepared to recognize North Korea as a negotiation

⁶⁴ “Establishment of Trust between North Korea and the U.S., ‘Action for Action’,” *Choson Sinbo*, February 13, 2007, <<http://www.korea-np.co.jp/news/ViewArticle.aspx?ArticleID=25351>> (accessed April 9, 2007)

⁶⁵ Bruce Klingner, “A Six-Party Strategy: How the U.S. Can Press North Korea to Give Up Its Nuclear Weapons,” The Heritage Foundation, *WebMemo* 1339, February 5, 2007, <<http://www.heritage.org/Research/AsiaandthePacific/wm1339.cfm>> (accessed April 2, 2007)

⁶⁶ Don Oberdorfer, “So Far, So Fast,” *Newsweek Online*, March 14, 2007, <<http://www.msnbc.msn.com/id/17612517/site/newsweek/>> (accessed April 2, 2007).

⁶⁷ Jim Yardley, “Seed of North Korean Nuclear Deal was Planted in Berlin: Bilateral Meeting Led North Korea Back to Negotiating Table,” *International Herald Tribune*, February 14, 2007, <<http://www.iht.com/articles/2007/02/14/news/nuke.php>> (accessed March 24, 2007).

⁶⁸ Bak, “Finally, it started a ‘Melting Nuclear Ice’.”

partner in resolving the nuclear problem peacefully.⁶⁹ At the moment, U.S.–North Korean dialogue is progressing via bilateral talks, within the working group of the Six-Party Talks devoted to discussing steps toward the normalization of U.S.–North Korean relations.

Banco Delta Asia

Since the end of the Korean War, the U.S. has imposed many kinds of sanctions against North Korea, such as arms embargos, economic sanctions, restrictions on trade and travel, and so on. Most of these measures have been harmful to North Korea to some degree, but nothing seems to have hurt as much as the U.S. Treasury Department's sanction in September 2005 on North Korean accounts with Banco Delta Asia in Macau.⁷⁰

There are several reasons why North Korea has paid so much attention to this issue:

Firstly, the financial restrictions against BDA were directly harmful to the Kim Jong-il regime, which has used BDA for its main political slush funds. According to the U.S. Treasury Department's investigation, through this account North Korea has completed money laundering acts, gold bullion smuggling, and has exported weapons.⁷¹

Secondly, the frozen US\$25 million has been less important than overcoming the devastating impact of the Treasury Department's ruling on BDA. The seemingly minor U.S. action against BDA severed North Korea's principal conduit for illicit and legal transactions, leading other countries to

⁶⁹ "The Berlin Meeting Between North Korea and the U.S.," *Choson Sinbo*, February 9, 2007, <<http://www.korea-np.co.jp/news/ViewArticle.aspx?ArticleID=24955>>(accessed March 18, 2007)

⁷⁰ David Lague and Donald Greenlees, "Squeeze on Banco Delta Asia hit North Korea Where It Hurt: Disruption of funds at Macao bank hits the regime hardest," *International Herald Tribune*, January 18, 2007, <<http://www.iht.com/articles/2007/01/18/news/north.php>> (accessed March 24, 2007)

⁷¹ Tom Mitchell, "BDA Revives Memories of a Past Macao Wants To Forget," *The Financial Times*, March 18, 2007, <<http://search.ft.com/ftArticle?queryText=BDA+north+korea+2005&y=5&aje=true&x=7&id=070318004431>>(accessed April 9, 2007)

freeze North Korean transactions and making most foreign banks and companies refrain from conducting business dealings with Pyongyang.⁷²

Thirdly, North Korea considers the financial restrictions leveled against its BDA funds by the U.S. a violation of its sovereignty rights, and it demands a change in the U.S.'s consistently hostile policy.⁷³

Fourthly, the September 2005 Joint Statement broke down due to the timing of the imposed sanctions on BDA. This was also due to a disagreement about the terms of implementation for the September 19 Joint Statement.⁷⁴

Therefore, since September 2005, North Korea has demanded that the U.S. lift its sanctions on BDA at almost every Six Party Talks aimed at getting the North Koreans to halt their nuclear weapons program.

In the past, the U.S. insisted that these financial restrictions had no connection with the North Korean nuclear issue, but that it was rather an issue of U.S. domestic law enforcement. However, at the Berlin Meeting in January 2007, the U.S. proposed a solution to the BDA issue. The U.S. Chief delegate of the Six Parties Talks, Christopher Hill, promised to "solve the BDA issue within 30 days" immediately after the February 13 Agreement.⁷⁵ This condition that the issue of lifting financial sanctions would be resolved within the Six-Party Talks framework is most likely one of the reasons why North Korea returned to the talks.

The Normalization of Diplomatic Relations with the U.S.

At the Asia-Pacific Economic Cooperation (APEC) summit held in Hanoi on November 18, 2006, President Bush told South Korean President Roh

⁷² Bruce Klingner, "Countering Pyongyang's Next Steps in the Six Party Process," The Heritage Foundation, *WebMemo* 1438, April 30, 2007, <<http://www.heritage.org/Research/AsiaandthePacific/wm1438.cfm>> (accessed December 15, 2007)

⁷³ "The Most Important Thing in the February 13 Agreement is 'Word for Word' and 'Action for Action'."

⁷⁴ Leonor Tomero, "Breakdown of the Feb. 13, 2007 North Korea Agreement," The Center for Arms Control and Non-Proliferation, March 13, 2007, <<http://www.armscontrolcenter.org/archives/002282.php>> (accessed April 9, 2007)

⁷⁵ Leon V. Sigal, "Turnabout is Fair Play," *Nautilus Policy Forum Online*, August 2, 2006, <<http://www.nautilus.org/fora/security/07057Sigal.html>> (accessed November 24, 2007)

Moo-hyun that the U.S. would be willing to enter a peace treaty with North Korea that would replace the 1953 Armistice Agreement.⁷⁶ In response, the U.S. proposed to discuss the issue of the normalization of relations between the two countries at the Berlin Meeting in January 2007.

After the February 13 Agreement, North Korea's vice foreign minister, Kim Kyegwan, visited New York in early March. Kim and Hill discussed details for steps toward normalizing relations, so as to get rid of the hostility brewing between the two nations. Furthermore, North Korea also demanded that the U.S. give up its hostile North Korea policy, which would be demonstrated by its removing North Korea from the lists of Terror-Sponsoring States and Trading with Enemy States in the February 13 Agreement. These efforts aimed to make North Korea a "normal" country and so put an end to the Armistice Agreement that was signed in July 1953.

North Korea's long-term goal might not just be to receive energy or economic aid; the more important element here is that the survival of the regime is guaranteed by the U.S. and other countries. In other words, regime safety might be a greater incentive for North Korea to give up its nuclear weapons.⁷⁷ Kim Jong-il's regime might believe that the best way to ensure its survival is to obtain recognition from the U.S. through establishing diplomatic relations. North Korea is, therefore, committed to dismantling its nuclear program by following the terms of the Bush Administration in order to establish diplomatic ties. Consequently, North Korea returned to the Six-Party Talks with the understanding that the U.S. would propose the possibility of the normalization of relations before the Talks would even be held.

⁷⁶ Donald G. Gross, "U.S.-Korea Relations: North Korea Tests a Nuke and Returns to the Six-Party Talks," *Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations*, <http://www.csis.org/media/isis/pubs/o6o4qus_korea.pdf> (accessed March 27, 2007)

⁷⁷ Mike Billington, "U.S. Diplomats Revolt Over Policy Toward North Korea," *Executive Intelligence Review*, November 24, 2006, <http://www.larouchepub.com/other/2006/3347us_n_korea.html> (accessed April 12, 2007)

4. After the February 13 Agreement: North Korea's Strategic Decisions

The North Korean regime is very difficult for outsiders to understand. A more in-depth understanding of North Korean thinking and perceptions is needed, in order to analyze the country's strategic decision-making after the February 13 Agreement. In this part, the paper explores North Korea's decisions after the February 13 Agreement, which effectively lays the path for the dismantling of its nuclear program and the realizing of the normalization of relations with the U.S.

North Korea's Strategy for Foreign Policy

North Korea has emphasized “Juche” (self-reliance) and “Military-First” ideologies. Kim Jong-il has said that “Nobody would help us, and strengthen the armaments, which are the only way to dedicate ourselves to our nation.”⁷⁸ As seen in this sentence, his leadership mentality is based on the conviction that today's international relations are acted out as a power game in which only military strength allows nations to survive.

Recently, China and Russia have displayed a cooperative stance with the U.S. over the course of reaching a settlement on the North Korean nuclear issues; this has further convinced Pyongyang that it cannot trust any other nation.

⁷⁸ Lee Yongseup, “An Ideology About the Main Military Power of the Compliment of the Juche Revolution Which Is Rediscovered” (in Korean), *The Philosophy Research*, No. 1, 2004, p. 30.

After North Korea's missile launch, China and Russia actively supported the UN Security Council's Resolution. The Resolution on North Korea's missile launch in July 2006 made by the UN Security Council is the main reason for an increase in conflict between North Korea and China as well as Russia. In response to China's stand, North Korea only gave twenty minutes notice before its nuclear test in October 2006.⁷⁹ China was displeased and joined the resolution led by the U.S. and Japan in the UN Security Council after North Korea completed its nuclear test. Japan's Kyodo News cited Kim Jong-il as saying, "China and Russia are not reliable."⁸⁰

On the other hand, North Korea did not mention China and Russia, its allies, or relations with friendly governments or enemy governments, such as the U.S. and Japan, in its "2007 New Year's Joint Editorial."⁸¹ It can be seen that North Korea will no longer be wholly dependent on China and Russia, but at the same time it will continue to pursue the normalization of relations with both the U.S. and Japan.

Nonetheless, North Korea still understands the value of maintaining alliances with China and Russia, while also approaching the U.S. and Japan, so as to acquire benefits from all sides.⁸² North Korea may want to tip the balance of power on the Korean Peninsula by normalizing relations with the U.S. Thus, North Korea would desire a strong position in the more important balance of power game in Northeast Asia.⁸³ At the same time,

⁷⁹ "The Relations between North Korea and China has Changed Clearly After the North Korean Nuclear Test," *Choson Ilbo Online*, March 19, 2007, <http://nk.chosun.com/news/news.html?ACT=detail&page=9&res_id=93566> (accessed April 2, 2007)

⁸⁰ "Japanese Kyodo News cited in diplomatic sources that Security Council urgently held the Conference of Overseas's Diplomatic Missions last month from August 18 to 22 in 2006, reported on 26", See "Kim Jungil Doesn't Believe China and Russia," *Chungyang Ilbo Online*, August 28, 2006, <http://article.joins.com/article/article.asp?total_id=2430015> (accessed April 2, 2007)

⁸¹ Huh Moon-young, "North Korea's 2007 New Year's Joint Editorial: Analysis and Prospects," *KINU*, January 3, 2007, <<http://www.kinu.or.kr/kinu/sc/skin/kinu/data/file/data01/data/unio7-01.pdf>> (accessed March 18, 2007)

⁸² Pan, "The China-North Korea Relationship."

⁸³ Joel S. Wit, "Enhancing U.S. Engagement with North Korea," *The Washington Quarterly*, Vol. 30, No. 2, Spring 2007, p. 58.

North Korea might think that by guaranteeing the survival of its regime through normalizing relations with the U.S., it would be able to use normalization as leverage against South Korea and Japan. This is also a good way for the U.S. to strengthen its position in Northeast Asia through direct dialogue with North Korea, bypassing the need to proceed via China or South Korea.

Sanctions

North Korea seems to have realized that the international community does not hold it in high esteem. This was made apparent after the North Korean nuclear test of October 2006, when the UN Security Council voted unanimously to impose sanctions on North Korea. Even Russia and China, its traditional allies, joined in the vote. Acting under Chapter VII of the United Nations Charter, but barring automatic military enforcement of its demands under Article 41 of the Charter, the Council unanimously adopted resolution 1718, which prevents a range of goods from entering or exiting North Korea. Further, it also imposes an asset freeze and travel ban on persons related to the nuclear-weapons program. Through its decision, the Council prohibited the provision of arms, nuclear technology, and related training to North Korea, as well as luxury goods, while calling upon all states to take cooperative action, including the inspection of cargo, in accordance with their respective national laws.⁸⁴

Since its missile launch and nuclear test, North Korea has faced great difficulty for trade and foreign investment. Notably, China – North Korea's largest foreign investor – suspended its investments. China had invested US\$100,000,000 in the country in 2005, mainly in its mining and manufacturing industries.⁸⁵ Since its nuclear test only a few Chinese

⁸⁴ United Nation, Department of Public Information, News and Media Division, "Security Council Condemns Nuclear Test By Democratic People's Republic Of Korea," Security Council 5551st Meeting (PM), *Security Council SC/8853*, October 14, 2006, <<http://www.un.org/News/Press/docs/2006/sc8853.doc.htm>> (accessed March 23, 2007)

⁸⁵ "After the Nuclear Test, International Trade in North Korea Was Reduced" (in Korean), *VOA News*, February 2, 2007, <

enterprises have discussed investment issues related to the mining and manufacturing industries of North Korea, involving only a small amount of money. Experts assess that China has been unwilling to invest in North Korea because the investment risk became greater after its nuclear test, and in light of UN sanctions and U.S. financial sanctions. According to Chinese trade data, China even went so far as to cut off fuel deliveries to North Korea for a short time during September 2006.⁸⁶

Meanwhile, the volume of trade between Japan and North Korea decreased 75% from October to November of 2006, in comparison to the previous year. The Japanese government implemented a hard-line policy.⁸⁷ The sanctions against North Korea were imposed in response to its nuclear test in October, according to a foreign ministry official in charge of Northeast Asian affairs. It barred all imports from North Korea, including money making food goods such as clams, crabs, and high-end Matsutake mushrooms. Port calls by North Korean ships were also banned for six months, which covered the period from October 14 to April 13. The Japanese government decided to extend the period of sanctions by yet another six months to keep up pressure on Pyongyang over its abductions of Japanese citizens.⁸⁸

After the North Korean nuclear test, South Korea also punished North Korea. On November 14, 2006 a policy meeting held between the ROK's unification ministry and the ruling Uri Party tentatively agreed to cut the 2007 budget for inter-Korean cooperation by 26 percent, down to 1.83 trillion won (US\$1.95 billion).⁸⁹

02-voa7.cfm> (accessed March 23, 2007)

⁸⁶ Niksch, "North Korea's Nuclear Weapons Program."

⁸⁷ "After the Nuclear Test, international Trade in North Korea Was Reduced."

⁸⁸ "Government to Extend DPRK Sanctions," *Yomiuri Shimbun Online*, April 7, 2007, <<http://www.yomiuri.co.jp/dy/national/20070407TDY02001.htm>> (accessed April 10, 2007)

⁸⁹ Aidan Foster-Carter, "North Korea-South Korea relations: A Nuclear Rubicon or No Change?," *Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations*, <http://www.csis.org/media/isis/pubs/0604qnorthkorea_southkorea.pdf> (accessed April 10, 2007)

However, with the February 13 Agreement, North Korea has the chance to see its energy and economic aid revived from the Six Party's member states. South Korea resumed fertilizer shipments to North Korea in late March 2007. In early July, South Korea announced that it would provide US\$20 million worth of food assistance to North Korea through the World Food Program. South Korea also resumed bilateral food aid in June 2007. Following severe flooding in North Korea in August 2007, South Korea provided US\$7.5 million worth of emergency aid materials, US\$39.4 million in construction materials to North Korea, and US\$3.2 million to NGOs providing flood assistance in North Korea.⁹⁰ At the same time, South Korea, China, and the U.S. have each so far provided 50,000 tons of heavy-fuel oil from July to October. Russia will also provide the next installment under the February 13 Agreement.⁹¹

North Korea may have realized that it would be difficult to continually withstand the economic sanctions and declining economic investments from South Korea, China, Japan, and the U.S. after the nuclear test. In that sense, if North Korea does not dismantle its nuclear program, the Six Party member states would impose much stronger sanctions against North Korea. It is possible that hard-line policies would be further consolidated, leading to the even further isolation of North Korea. In view of that, there are hard-liners in the U.S., South Korea, and Japan who have the capacity to influence a more hostile, anti-North Korean policy.

An Economically-Strong Nation

Kim Jong-il's regime has emphasized its "Juche" and "Military-First" ideology, in spite of the great economic difficulty it has encountered since

⁹⁰ U.S. State Department, Bureau of East Asian and Pacific Affairs, "Background Note: North Korea," September 2007, <<http://www.state.gov/r/pa/ei/bgn/2792.htm>> (accessed October 14 2007)

⁹¹ "Russia's oil shipment expected to be completed by the end of November." See Peter Baker, "U.S. to Ship Oil To North Korea: Bush Cites Progress on Denuclearization," *Washington Post*, September 29, 2007, <<http://www.washingtonpost.com/wp-dyn/content/article/2007/09/28/AR2007092801879.html>> (accessed October 25, 2007)

taking the reins of political power. This is a paradox. On the one hand, North Korea appears to be a very powerful state by certain measures, in that it possesses the world's fourth largest armed forces, a sizeable arsenal of ballistic missiles, and a nuclear program. Nevertheless, it finds itself in an acute economic crisis in terms of agricultural output, industrial production, and foreign trade exports.⁹²

Kim Jong-il's regime had thought its military would be able to enhance economic development with relative ease: the regime might regard its army as the core of its laborers in economic construction. As a result, such a "Juche" and "Military-First" policy has the potential to partially improve economic construction over the short term. However, it is hard to create an overall prosperous economy in the long term.⁹³ Because North Korea remains steadfastly isolated from the outside world, with economic development being no exception, the country denies the economic openness and reforms that socialist nations such as China and Vietnam have willingly pursued. Unfortunately for North Korea, however, it is impossible for any nation to make its national economy prosper if it pursues complete self-dependence.

On the other hand, North Korea allocates budgets to its army solely through a limited national budget under the Military-First ideology. This limits its overall infrastructure to only the most basic industries. Light industries and agriculture have no chance of developing, and therefore have fallen behind. While North Korea has increased its defense expenditure so as to catch up with South Korea, its national finances have gradually decreased because of expenditure used in maintaining its conventional weapons.

⁹² Andrew Scobell, "Kim Jong-Il and North Korea: The Leader and the System," The Strategic Studies Institute of the U.S. Army War College, March 2006, <<http://www.strategicstudiesinstitute.army.mil/>> (accessed December 10, 2007)

⁹³ Moon-Young Huh, "The February 13 Agreement and Resumption of Ministerial Meetings between North and South Korea: From Crisis on the Korean Peninsula to Peaceful Management," Korea Institute for National Unification, February, 2007, <[http://www.kinu.or.kr/kinu/sc/skin/kinu/data/file/data01/data/CO%2007-02\[E\].pdf](http://www.kinu.or.kr/kinu/sc/skin/kinu/data/file/data01/data/CO%2007-02[E].pdf)> (accessed April 12, 2007)

With such circumstances, from the end of 1990, North Korea's population has been suffering from mass starvation because of its domestic difficulties in economy and food production. The North Korean famine resulted in the deaths of between 300,000 and 800,000 North Koreans per year during a three-year famine, which peaked in 1997, with two million deaths given as "the highest possible estimate."⁹⁴ At the same time, North Korea has experienced an ongoing humanitarian crisis with tens of thousands of refugees fleeing their homes in search of food since the mid-1990s. Mass starvation and the refugee problem became a threat to Kim Jong-il's regime.⁹⁵ Consequently, the regime has begun to seriously consider trying to find a solution to the national economic crisis, openly advocating the pursuit of "the construction of an economically strong nation."⁹⁶ This means that the most urgent problems for North Korea are the reconstruction of the national economy and the improvement of people's livelihoods. Although North Korea has tried to initiate domestic reform, it has met with countless challenges and impediments. The real situation was expressed in the New Year's statement of 2000, when North Korea's government emphasized that "the developing speed of the 21st century is unimaginably fast. In spite of our efforts, we fall far behind, so we have to leap forward to become a prosperous and powerful state."⁹⁷

However, there is a need for the regime leadership to shift its ideological emphasis from "utopia" to "development"⁹⁸ to build up its economy. The costs of maintaining heightened ideological propaganda and a large national

⁹⁴ "Famine May Have Killed 2 Million in North Korea," *CNN.com*, August 19, 1998, <<http://edition.cnn.com/WORLD/asiapcf/9808/19/nkorea.famine/>> (accessed April 3, 2007)

⁹⁵ "The famine dramatically demonstrated the weakening of the regime: the breakdown of its food distribution system. In other words, the regime proved unable to ensure its populace was fed, and people had to adopt survival strategies by relying on their own initiative and ingenuity," See Andrew S. Natsios, *The Great North Korean Famine: Famine, Politics, and Foreign Policy* (Washington: United States Institute of Peace, 2001), p. 237.

⁹⁶ Huh, "The 2007 New Years Joint Editorial: Analysis and Prospects."

⁹⁷ Oh Sunggil, "The Lifeline of the 'Military-First' Policy and the 'Juche Ideology'" (in Korean). *Pyongyang Chulpansa*, 2003, p. 73.

⁹⁸ Richard Lowenthal, "Development vs. Utopia in Communist Policy," in Chalmers Johnson, ed., *Change in Communist Systems* (Stanford: Stanford University Press, 1970), pp. 33-116.

defense organization are high and ultimately debilitating. The ideology no longer appears to be so focused on transforming the state and society, but rather more toward the instrumental goals of economic recovery, development, and firming up regime power.⁹⁹

Kim Jong-il's regime might well have perceived this reality. In attempting to achieve the normalization of diplomatic relations with the U.S. and Japan, this may prove an effective means of reviving its economy and so transform the ideology of a "Juche" and "Military-First" approach into a Powerful-Nation ("Economically-Strong Nation") approach.

⁹⁹ Scobell, "Kim Jong-Il and North Korea."

Conclusion

After North Korea and the United States agreed to the February 13 Agreement, their mutual confrontation of the last half century has entered a new stage in which the two countries are continuing a process aimed at disabling North Korea's nuclear facilities and facilitating the normalization of diplomatic relations.

However, the situation may still be precarious, if we consider North Korea's past behavior as well as the image of North Korea as an extreme enigma held by most outsiders. A puzzling country that does not respect international rules can be seen as dangerously unpredictable. In particular, most outsiders cannot understand how the North Korean leader Kim Jong-il has ignored the fate of two million North Koreans that have died of starvation and the tens of thousands of refugees who have fled to China because of hunger and starvation while, at the same time, channeling so much effort and funds into developing nuclear weapons. Moreover, some outsiders think that North Korea threatens other countries with its nuclear weapons, as well as possessing the capacity to supply terrorists with nuclear weapons and nuclear know-how.

However, this understanding may be a stereotype that is much influenced by the Bush Administration's hard-line policy against North Korea. After the present administration took office, President Bush himself declared that North Korea was part of the "Axis of Evil." Until the February 13 Agreement, Bush adhered to this hard-line policy.

On the other hand, North Korea reacted to Bush's criticism, his administration's hard-line policy, and the invasion of Iraq by solidifying its

own stance. The North Korean leaders seemed to have concluded that it would be impossible to mollify the U.S. through negotiations and nonaggression agreements, because U.S. might well invade North Korea just as it invaded Iraq in 2003. With the Bush Administration's anti-North Korean policy, the sense of distrust and fear North Korea felt from the U.S. served to fuel the perception in North Korea that the development of nuclear weapons was the best course of action to take. Accordingly, North Korea insisted that it would never give up its nuclear program as long as the U.S. maintained its "hostile policy" toward North Korea. From Pyongyang's perspective, North Korea's nuclear crises were rooted in the Bush Administration's hostile strategy.

In this regard, it would be helpful to better understand the North Korean attitude toward the U.S. by gaining a better understanding of North Korean history. The national sentiment of North Korea is dominated by a deep feeling of victimization. Its sense of having been treated harshly is further reinforced by the Korean Peninsula's long history of invasion, colonization, and devastation by China, Japan, and the U.S. military. All this has combined to make the North Korean regime obsessed with righting the indignities suffered by the Korean people.¹⁰⁰ Continuing into the present, the Bush Administration's hostile policy has served to further exacerbate North Korea's deep-seated sense of victimization.

However, this perceived discrimination sometimes pushes North Korea to indulge in radical ideas and dangerous acts. The population of North Korea seems to be genuinely convinced that "American sanctions" are to blame for North Korea's inability to overcome its problems.¹⁰¹

As such, before the Bush Administration changed its hard-line policy toward North Korea, the relations between the U.S. and North Korea were

¹⁰⁰ *Ibid.*

¹⁰¹ Ingolf Kiesow, "A Perspective from Pyongyang through Foreign Glasses," in Niklas Swanström, ed., *Conflict Prevention and Conflict Management in Northeast Asia* (Washington, D.C. and Uppsala: Central Asia-Caucasus Institute & Silk Road Studies Program, 2006), p. 203.

caught in a spiral of misunderstanding, mistrust, and misperception, which have all proven to be major stumbling blocks in the progress of prior negotiations.

In the current situation, the Bush Administration has changed its stance and is pursuing a more moderate policy toward North Korea, which, meanwhile, has accepted demands to dismantle its nuclear facilities according to the February 13 Agreement.

The most critical factor in guaranteeing further progress is to improve mutual understanding and trust between the U.S. and North Korea. At the same time, the five countries of the Six-Party Talks (the U.S., China, South Korea, Japan, and Russia) committed, on paper at least, to North Korea's integration into the global community need to take greater steps to facilitate a conducive environment that makes it easier for North Korea to give up its nuclear program.

Such being the case, key to resolving the nuclear and other outstanding issues lies with the U.S., China, South Korea, Japan, and Russia showing greater respect of North Korea's sovereignty. On the other hand, North Korea should react less emotionally and so transform its present policies into more realistic foreign policy goals centered on collaborating with other countries, and by faithfully undertaking the duty of dismantling its nuclear program under the February 13 Agreement.

Appendix

The February 13 Agreement of the Six-Party Talks¹⁰²

The Six-Party agreement (North Korea - Denuclearization Action Plan) reached in Beijing on February 13 is an important initial step toward the goals of a denuclearized Korean Peninsula and a more stable and secure Northeast Asia. It requires concrete actions within 60 days that will begin implementation of the September 19, 2005 Joint Statement Joint Statement of the fourth Round of the Six-Party Talks), in which the DPRK committed to "abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards."

This agreement was reached through patient, creative and tough diplomacy. Unlike previous accords it is a *multilateral* agreement. All of the major players in the region now share a stake in its outcome, the need for results, and accountability. All six parties are the guarantors of this agreement, and there is great interest in the rest of the region to see that it is fully implemented. While this is only a first step, it is a good beginning toward achieving the goal of a complete verifiable and irreversible denuclearization of the Korean Peninsula.

Unlike past efforts, this agreement is a part of a broad and comprehensive effort to go beyond the denuclearization the Korean Peninsula to advance as well a future of peace and prosperity in Northeast Asia. Our approach has always encompassed the need to address these two goals together, and that is what we are doing.

Under this agreement, North Korea will, in the next 60 days:

¹⁰² U.S. Department of State, Office of the Spokesman, "Initial Actions to Implement Six-Party Joint Statement," Fact Sheet, February 13, 2007, <http://www.state.gov/r/pa/prs/ps/2007/february/80508.htm> (accessed October 13, 2007)

- Shut down and seal the Yongbyon nuclear facility for the purpose of abandonment
- Invite the IAEA to return to the country to conduct all necessary monitoring and verification as agreed between the IAEA and the DPRK
- Discuss a list of all its nuclear programs and materials, including the plutonium extracted from fuel rods that will be abandoned pursuant to the Joint Statement.

In the follow-on phase, the DPRK will provide a complete declaration of all nuclear programs and disablement of all existing nuclear facilities.

In concert with these actions, the other parties will:

- Provide emergency assistance to the DPRK equivalent to 50,000 tons of heavy fuel oil in the first 60-day phase.
- Establish five working groups to carry out the initial actions required in the agreement and to work on full implementation of the September 2005 Joint Statement.

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