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THE U.S.- NORTH KOREAN NUCLEAR ACCORD

*Report of an
Independent Task Force*

Cosponsored by
the Council on Foreign Relations and the
Seoul Forum for International Affairs

Kyung Won Kim and Nicholas Platt, Chairmen
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INTRODUCTION

The Agreed Framework signed between the United States and the Democratic People's Republic of Korea (DPRK) on October 21, 1994, is a controversial document and understandably so. The Framework addresses a major security threat involving an unstable and little understood regime. Its future is far from certain; to the contrary, the accord sets in motion a fragile and complex process involving numerous reciprocal obligations that could require a decade or more to implement and which could come apart at any time.¹

If the fate of the accord is in doubt, so too is its overall impact. This is an agreement with significant omissions and ambiguities, one with the potential to exacerbate tensions on the peninsula and in U.S. relations with both the Republic of Korea (South Korea) and Japan. Yet the Agreed Framework also holds the potential for resolving the nuclear proliferation threat from the North, promoting stability on the Korean Peninsula, furthering North-South dialogue, and reaffirming the central role of the United States in the region. On balance, and despite its shortcomings and attendant risks, the agreement should be supported and implemented by the governments of the United States, South Korea, and Japan—as well as that of North Korea.

In the end, whether the agreement leads to good or ill will depend less on its precise terms than on how the United States, South Korea, and Japan manage its implementation. The three allies must coordinate closely, not only on the steps they take to imple-

1. The text of the U.S.-DPRK "Agreed Framework" can be found at Appendix 1. For stylistic reasons, the Agreed Framework will be referred to in this report as an "agreement" or "accord" although it is technically something other than an international agreement or treaty.

ment the specific nuclear aspects of the accord, but also on a larger agenda: the reinvigoration of South-North dialogue, the resolution of other pressing security concerns on the peninsula, and the development of economic and diplomatic ties with the North.

BACKGROUND TO THE CRISIS

In the years since the signing of the armistice in 1953, the United States and South Korea have developed a broad security relationship to deter military aggression from the North. This relationship has also helped to promote both economic growth and democratization in the South and regional stability in Northeast Asia. The U.S.-South Korea bond has become a significant factor for peace that is in the U.S. interest to preserve and enhance.

Despite these accomplishments, tension on the Korean Peninsula is ever present. The memory of the Korean War, in which some three million Koreans died, is kept alive by the continued confrontation along the demilitarized zone (DMZ) separating the two parts of the peninsula. The recent shooting down of an American helicopter is only the latest event in a long history of conflict along what is the most heavily fortified border area in the world.

The challenge of maintaining stability has been heightened by a number of recent events. Always a withdrawn regime, North Korea has found itself even more isolated following the collapse of the Soviet Union. North Korean isolation deepened even further when Beijing recognized (and developed significant economic ties with) South Korea. Meanwhile, the North faced additional strains stemming from economic decline, estimated to be an average of 5 percent of GNP annually during the past five years. The death in July 1994 of Kim Il Sung—who had held power longer than any other modern leader—was yet another factor contributing to domestic uncertainty.

All of this contrasts dramatically with the situation in the South. Real South Korean GNP growth during the past five years approximated 7.5 percent per annum. Moreover, economic advance has

taken place in a context of a strong democratic consolidation. The net consequence of these developments has been to heighten anxiety in Washington and Seoul about the possibility that an increasingly desperate North might use force against the South before the balance of power shifted, perhaps ineluctably, against Pyongyang.

It is against this political and economic backdrop that the North's nuclear program must be viewed. The DPRK began its nuclear research in the mid-1950s with Soviet aid and technology. It signed the Nuclear Non-Proliferation Treaty (NPT) in 1985, but repeatedly failed to enter into the required nuclear safeguards agreement with the International Atomic Energy Agency (IAEA). Even following the negotiation and signing of a series of historic bilateral agreements with South Korea in late 1991 and early 1992—the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation and the Joint South-North Agreement on the Denuclearization of the Korean Peninsula—the North refused to implement them.² In January 1992, the United States held its highest ever talks with the North Koreans when then-Undersecretary of State Arnold Kanter met in New York with Party Secretary Kim Yong Sun of the DPRK. Only afterward, in April 1992, did Pyongyang finally sign a standard safeguards agreement with the IAEA.

The optimism generated by these developments was short-lived. Although several inspections of declared facilities took place, the North resisted IAEA efforts to examine undeclared but suspicious sites at its nuclear research complex in Yongbyon. Despite

2. Signed in December 1991 and January 1992 respectively, these agreements were to have come into effect on February 19, 1992. The former builds from the existing armistice agreement to move toward a "solid state of peace" on the peninsula and to promote more normal contacts by people in both countries. The latter contains more explicit declarations not to "test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons," to "...use nuclear energy solely for peaceful purposes," not to "...possess nuclear reprocessing and uranium enrichment facilities," and to "...conduct inspection of the objects selected by the other side and agreed upon between the two sides, in accordance with procedures and methods to be determined by the South-North Joint Nuclear Control Commission" (which was to be established).

Pyongyang's insistence that its research was for purposes of electric power generation, and that any spent fuel reprocessed in its "radiochemical laboratory" was insignificant, U.S. intelligence data and preliminary findings by the IAEA suggested that a significant discrepancy existed in the number of times the North said it had reprocessed and the number of times in reality it had. When the IAEA demanded to be allowed to conduct "special inspections" of sites where evidence of activities inconsistent with North Korean declarations were suspected, Pyongyang announced (on March 12, 1993) its withdrawal from the NPT.

Although the North "suspended" its withdrawal after negotiations with the United States, its continued refusal to allow full IAEA inspections, and its subsequent decision in May 1994 to unload the fuel in its research reactor without permitting orderly IAEA access to the fuel rods as they were removed, significantly heightened international fears that Pyongyang was pursuing development of a nuclear weapons capability. The Clinton administration responded by augmenting its military presence in the South and by proposing (in consultations with UN Security Council members and others) that economic sanctions be adopted to pressure North Korea to give up its nuclear weapons program.

U.S. concern about the North Korean nuclear program assumed a new urgency with the defueling of its research reactor. If reprocessed, freshly unloaded fuel contained enough plutonium to produce an additional five to six bombs worth of plutonium. There was also Pyongyang's record of exports (including missiles) to others, a history that raised the ominous prospect of direct North Korean assistance to nuclear programs elsewhere. The IAEA's failure to prevent Iraq's violation of the NPT also made North Korea's program the first test in the aftermath of the Gulf War of the international community's commitment to stricter non-proliferation enforcement. Finally, the North's development of a nuclear weapons capability would generate pressure for similar programs in South Korea, Japan, and Taiwan.

The gathering crisis was only calmed after the June 1994 meeting in Pyongyang between former President Jimmy Carter and

then-President Kim Il Sung. North Korean overtures conveyed by the former president facilitated reopening U.S.-DPRK discussions and led to an agreement for a North-South summit. Kim's unexpected death in July derailed the North-South track, but did not block the negotiation of the October 21 Agreed Framework.

THE OUTCOME OF U.S.-DPRK NEGOTIATIONS

The Agreed Framework deals with the North's nuclear program as well as with North-South and U.S.-DPRK relations. The nuclear-related elements of the Framework and associated documents can be summarized as follows:

- North Korea agreed not to refuel its existing 5 MW graphite reactor, not to reprocess the fuel it had removed from this reactor the previous spring, and to seal the "radiochemical laboratory" where it had reprocessed spent fuel from the reactor. Construction of two larger graphite reactors, 50 MW and 200 MW respectively, was also to be frozen.³ In addition, the DPRK committed not to build any other graphite-moderated reactors or related facilities in the future.
- The Agreed Framework calls for the establishment of an international consortium, subsequently named the Korean Peninsula Energy Development Organization (KEDO), to contract, design, fund, and supply a light-water reactor (LWR) project—to consist of two reactors with a total generating capacity of some 2000 MW—by, it is hoped, 2003. The United States (representing the consortium) is to arrange for the North to receive heavy fuel oil for heating and electricity production until the first of the two LWRs is operational.⁴ The United States is the main organizer—although not the chief funder—of KEDO, and is working to

3. As of this date, these steps have been taken by the DPRK, and IAEA inspectors are monitoring the freeze.

4. The amount of oil is the rough equivalent of the amount of energy that theoretically could have been produced by the North's intended reactor program. The first shipment of heavy oil, 50,000 metric tons purchased by the United States, has already been delivered.

secure participation from others. The United States, South Korea and Japan are the original members, and help is being sought from China and Russia as well as other Asian, European, and Gulf states. The agreement calls for U.S. "best efforts" to conclude a supply contract for the LWR project by April 21. Site surveys would then begin. After receiving assurance of major funding from both Japan and South Korea, President Clinton provided, as part of the agreement, a letter promising to use the "full powers of his office" to arrange financing and, if need be, to provide (subject to congressional approval) both the LWR project and the heavy oil.⁵

- The spent nuclear fuel removed from the research reactor in May of last year will be stored and disposed of "in a safe manner that does not involve reprocessing in the DPRK." Ultimately, this fuel is to be transferred and disposed of outside North Korea. Since its removal from the reactor in 1994, the fuel has been in a cooling pond. Technical talks held after the signing of the Agreed Framework produced agreement to store the fuel on an interim basis in steel containers to slow corrosion. Work to ready the fuel for longer-term storage is to begin in April, 1995.
- North Korea agreed to remain in the NPT and to come into full compliance with the safeguard agreement previously signed with the IAEA. If required by the IAEA, this would include inspection of suspected sites.

These and other elements are linked in an interdependent sequence.⁶ In about five years, the first LWR project is expected to reach a point where major buildings as well as turbines and generators are in place but where "key nuclear components" (including the reactor and associated equipment) have yet to be delivered. At this point, the North must come into compliance with IAEA safeguards, which, under the accord, explicitly requires resolving to the IAEA's satisfaction any uncertainties surrounding North Korea's inventory of fissile material. Moreover, if any of the

key nuclear components are to come from the United States—something the agreement does not require but which could prove unavoidable—U.S. law requires that the United States and the DPRK first enter into a bilateral nuclear cooperation agreement, which must be submitted for consideration by the Congress. Such an agreement requires that full-scope safeguards be in effect.

When the key nuclear components are provided for the first LWR, North Korea is to begin shipping out of the country the spent fuel removed from the 5 MW reactor. When the first LWR is completed—projected for 2001 or so—shipments of this “old” spent fuel are also to be completed. In addition, at the time the first LWR is completed the North must begin dismantling the research reactor, the two partially built reactors, the reprocessing facility, and other related facilities. Dismantlement (requiring destroying or disassembling components and equipment under IAEA monitoring so they are no longer useful) is to be completed by the time the second LWR is completed, projected to be one to two years after the first LWR is operational.⁷

Three other elements of the negotiations deal mostly with both the U.S.-DPRK and North-South relationships:

- The United States and the DPRK are to “move toward full normalization of political and economic relations”. Discussions have largely been completed on the establishment of low-level diplomatic relations, and liaison offices are expected to be opened by mid-1995 in both capitals. Steps have already been announced to lift certain controls on commercial ties. Further progress toward U.S.-DPRK normalization is linked to “progress [being] made on issues of concern to each side.” The United States has stipulated several such issues, especially North Korea’s ballistic missile development and exports, its force deployments

7. There are some unanswered questions regarding details of the nuclear arrangements that could complicate implementation. There is no agreement regarding who is to pay for or provide the fuel for the LWR. There also is the matter of how the 2,000 MW to be provided by the LWR project will be integrated into the current estimated North Korean generating capacity of 7,300 MW and who will pay for this. Last, and as is discussed later in the text, there are questions concerning the disposition of spent fuel produced by the LWRs.

along the DMZ, and progress in the North-South dialogue. (Other concerns relate to accounting for American MIA's from the Korean War, terrorism, human rights, and DPRK chemical weapons production.⁸) Until "progress" is made, the United States will not raise its diplomatic recognition to the ambassadorial level.

- The North has agreed to resume dialogue with South Korea on two different levels: to "take steps to implement" the North-South Joint Declaration on the Denuclearization of the Korean Peninsula, and to "engage in North-South dialogue" to promote peace.
- The agreement states that "The United States will provide formal assurances to the DPRK against the threat or use of nuclear weapons by the United States." These are to be provided and become effective only when the North is fully compliant with its NPT and IAEA obligations.

FREQUENTLY ASKED QUESTIONS ABOUT THE AGREEMENT

Doesn't this agreement throw a life preserver to the North, proping up a failing regime by providing it fuel, nuclear energy, and both diplomatic and commercial ties while failing to punish it for clear violations of international obligations?

As is almost always the case in negotiations, there were trade-offs. In this instance, the principal choice was between increasing the pressure on North Korea so as to hasten its demise, a course that risked triggering a crisis with a nuclear dimension, or entering into arrangements that might bolster the regime, but that made a crisis, nuclear or otherwise, less likely. The U.S. near-term priority was to defuse the immediate challenge, namely, the North's implicit threat

8. The North may raise issues of concern of its own—such as demands for a peace treaty with the United States, U.S. troop withdrawal from the peninsula, an end to U.S.-ROK military exercises in the South, and repeal of South Korea's National Security Law—although it is unlikely that these would be used to stall normalization with the United States.

to reprocess significant new amounts of fuel from its existing reactor and those reactors nearing completion into weapons material, a step that would have increased dramatically the threat to both the region's security and the global non-proliferation regime. The judgment of the Clinton administration was that an agreement was preferable to continuing uncertainty over the basic elements of North Korea's nuclear program. It was also held preferable to UN-mandated sanctions, which were believed to hold out little promise for resolving the immediate nuclear problem, or the use of force, for fear that it would trigger a larger conflict and/or bring about a crisis in Washington's relationship with both Seoul and Tokyo.

It is possible that one of the by-products of signing and implementing this agreement may be to contribute to the near term survival of the regime in the North and to the stature of Kim Jong Il. This point ought not to be exaggerated, however, as North Korea's fate will depend upon a great many internal and external developments of which the Agreed Framework is but one. Still, to the extent the accord has any such effect, it is arguable that it is acceptable, as a sudden collapse of the North would be violent and chaotic, resulting in a massive flow of refugees at best and war at worst. More desirable (especially in South Korea, without whose support a more confrontational posture is impossible) was and is a "soft landing" scenario in which the North gradually emerges from its isolation and begins a process that would bring with it the chance for fundamental change and lasting peace on the peninsula.

Why has the North been given five more years to resolve the question of the amount of plutonium it has already reprocessed, and thus the amount it has available to construct a bomb?

This outcome represented another calculation by the United States. In this instance, compromise was deemed necessary to bring about an agreement to end the immediate threat of large-scale reprocessing and to reverse the North's insistence that it would never accede to IAEA inspections that could reveal the amount of plutonium already reprocessed. While the inspection delay is unfortunate, both as a bad precedent for combating proliferation and in

leaving the door open for the North to retain or covertly assemble nuclear weapons, it does not create options Pyongyang does not already possess. Moreover, it can be argued that the costs of delay are more than offset by the possibility of eliminating most or all of the DPRK's nuclear weapons program.

The DPRK has agreed to give up reprocessing (something it had already committed to in its 1992 agreement with South Korea) and to forgo the construction of new graphite reactors that could have produced vastly more plutonium. The LWRs it has accepted in return are less proliferation prone due to the need to import the fuel they require, the greater stability of their spent fuel which can be stored indefinitely and thus obviates the need for reprocessing, the greater technical difficulty of reprocessing LWR spent fuel, and the greater difficulty in using the resulting plutonium in weapons. North Korea has agreed as well to give up the fuel rods it currently possesses, and hence the plutonium that could be reprocessed from them. Lastly, the North has agreed to remain in the NPT and, after some five years, to provide the IAEA access that should shed light on any past reprocessing.

If the agreement breaks down at some point in the future, are the United States and its allies worse off?

Break-down is a real possibility, one that could result from a number of causes: the North's refusal to accept a central role for South Korea in providing the LWRs, noncompliance by the North with the terms of the Agreed Framework, the inability of the United States to arrange adequate funding for oil and the LWRs, and/or from disagreements between Washington and Pyongyang in interpreting ambiguous elements of the accord. But at least in principle, should implementation come to a halt, even several years into the construction of the LWR project, the North need be no better off other than having obtained a portion of the heavy oil promised by the agreement. It will not have obtained a working nuclear reactor (nor the necessary nuclear fuel) and its own nuclear program would have been delayed substantially. Unlike North Korea's current graphite reactors, the LWRs require enriched

uranium fuel that North Korea must import. Even a completed reactor without that fuel would be a potential, not an actual, threat.

Interruption in the accord's implementation in several years time would also not be to the detriment of the United States and the South if they insist (as stipulated by the Agreed Framework) that the North satisfy the IAEA before nuclear components are shipped and if they do not allow the North to accumulate spent fuel from the LWRs. Lastly, a failure of the accord would be far less harmful to U.S. interests if breakdown were to result from a clear North Korean violation of its commitments. This would make it far easier for the United States, South Korea and Japan to act together to compel compliance by the North or, if need be, to impose significant costs upon it.

Is it possible that the North could cheat on the agreement by continuing a secret bomb-making program without being detected?

Yes, but scrupulous implementation of the Agreed Framework (including aggressive IAEA monitoring) would significantly increase the odds against successful (and militarily meaningful) cheating. The IAEA is already monitoring DPRK compliance with those aspects of the framework that address declared nuclear facilities that exist or are under construction. There is no evidence that the DPRK is now engaged in any secret nuclear activity, although this is a possibility given the North's tunneling prowess and its refusal to permit IAEA access to suspect sites. The Agreed Framework makes it more likely that such activity would be detected beginning with the moment (estimated to be some five years away) that IAEA access to suspect sites is permitted. More generally, the presence of IAEA inspectors and U.S. and allied officials in the country should make it more difficult (though not impossible) for cheating to go undetected.

Can the agreement be used as a precedent by other potential nuclear states to play the nuclear card in exchange for aid?

It is likely that other states with similar ambitions will seek to exploit this agreement. Iran already has. But the situations are very different, as North Korea had a considerable capability by the time the United States and others became seized with the problem. The capacity of other countries, including Iran, is still mostly potential. It will be up to the international community to ensure that no other state is able to develop a covert nuclear program to the point of being able to play this card.

Governments must also reject the claim that because North Korea received LWR technology others should. Non-proliferation policy has had a largely case-by-case dimension from the outset; this agreement only becomes a negative precedent if it is allowed to become one. At the same time, the agreement sets the *positive* precedent that the world can act to persuade a country to go beyond NPT requirements and give up its right to reprocess—the most direct route to producing weapons-grade fuel.

Does the Agreed Framework give short shrift to South Korea's interest in establishing a meaningful North-South relationship?

The accord's failure to define what constitutes "tak[ing] steps to implement" the North-South denuclearization declarations, and what is required to "engage in North-South dialogue," are substantial shortcomings. So, too, is its failure to cite explicitly the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation between the South and North and related agreements signed in late 1991 and early 1992. The agreement also neglects to refer to the South's central role in providing and funding the LWR project. These omissions will need to be compensated for in the implementation phase, i.e., by requiring that the North work with the South on the reactor project and by Washington and Tokyo demanding concrete progress on issues of concern to the South as a prerequisite for their agreeing to additional diplomatic and commercial normalization with the North.

Does the promised LWR project provide North Korea with the capacity to produce more plutonium than it could produce with its current and previously planned generating capacity?

Theoretically "yes." The failure to specify how the spent fuel produced by the two LWRs will be handled constitutes a serious technical flaw in the agreement. Formal understandings and arrangements are needed so that the North is unable to accumulate spent fuel from the LWR program.

FINDINGS AND RECOMMENDATIONS

- The U.S.-DPRK Agreed Framework deserves the support of the United States, the Republic of Korea, Japan, and others. Despite its shortcomings and its uncertain future, it provides a mechanism for avoiding a nuclear weapons program in the North, something that would pose a direct threat to the region's stability and the international non-proliferation regime. In addition, and for the first time, a structure exists for a productive U.S.-DPRK relationship that could lead to a lessening of tension on the peninsula and promote better relations between North and South.
- The Agreed Framework also deserves the support of North Korea. The accord provides the North with a viable energy alternative made available on generous terms. Perhaps more important, the accord offers the North a path by which it could join the international community and benefit from both political and economic interaction. The alternative is renewed estrangement, sanctions, and confrontation with much of the outside world.
- The potential exists for the agreement to become a source of tension between the United States and both South Korea and Japan. It is inevitable that each government will have its own preferences and priorities. In particular, there is potential for the nuclear dimension of the framework to overwhelm all others during implementation. All parties should guard against this. The nuclear problem is more a reflection of the peninsula's tensions than their cause. It is only through the successful resumption and conclusion of the

North-South dialogue undertaken pursuant to agreements already existing between the two Koreas that the denuclearization, stability and eventual unification of the peninsula can be assured.

- The United States must emphasize in both word and deed to Pyongyang that it cannot significantly normalize relations with Washington without improving its relations with Seoul. The bilateral Agreed Framework cannot be allowed to lead to a separate U.S.-DPRK policy agenda on the Korean peninsula. In part this reflects a narrow reality; the Framework cannot be implemented without full participation by the South. Both the substance and the appearance of the ROK's role must be taken into account. But the argument for not allowing the U.S.-DPRK dialogue to get too far out in front of the North-South dialogue is based on another larger reality: that neither the accord nor U.S.-DPRK relations provide a basis for the stability of the peninsula. This is something that only the two Koreas themselves can achieve.
- The KEDO umbrella is the best way to manage the issue of South Korea's participation in the reactor project. The question--raised during the negotiations but left vague in the Framework Agreement--of who will supply the LWRs has emerged as the first serious point of contention. Although the North wishes to avoid receiving ROK reactors, Pyongyang needs to understand that South Korea, as the only country prepared to fund the bulk of the LWR project, must be accorded a central and recognizable role in the design and supply of the LWR project. At the same time, and without sacrificing this requirement, the South can show flexibility on the degree of visibility its participation receives. The accord ought not to founder on this matter; the KEDO construct as agreed to by the United States, South Korea and Japan meets the needs of all parties.
- North Korea must understand the need for full and timely implementation of all terms of the agreement. If it attempts to delay or reverse the elements relating to reprocessing, reactor construction, or freezing or dismantling its current nuclear reactor program, or fails to satisfy the IAEA about past or present activities, the United States must promptly suspend all of its commitments, and proceed to implement a fall-back strategy that either brings

about renewed compliance by the North or ensures that it pays a severe price for its behavior.

- This agreement cannot prosper or possibly even survive in isolation. North Korea must understand that difficulties, tensions and incidents caused by its behavior—even if they do not directly violate the terms of the agreement—will make it far more difficult to sustain political support in the United States, South Korea and Japan to deliver on their commitments or follow through on additional normalization measures the North wants. Even relatively minor infringements—for example, the use of U.S.-supplied heavy oil for purposes that go beyond those specified in the Framework—would sour the atmosphere and complicate the task of maintaining domestic political support.
- The United States and its allies in the KEDO must also work to fully implement their part of the framework, including the provision of heavy oil and the financing of the LWR project. The U.S. administration in particular must recognize the need to keep the Congress fully informed of the financial as well as broader policy requirements and implications of the framework as Congress's sustained support will be essential for the accord's implementation over the coming decade. The South Korean and Japanese governments have no less of an obligation to work to build parliamentary and public support for the accord in their countries.
- If implementation is to be interrupted, it should only be as a result of the North's noncompliance; otherwise, it would become extremely difficult if not impossible to fashion domestic and international support for an alternative strategy that would neutralize the North's nuclear efforts. As a result, the U.S. Congress also has a responsibility to act with caution. Despite understandable unhappiness at not being allowed to vote on the Agreed Framework itself, Congress ought not to refuse funding or introduce additional conditions that would make it impossible for the United States to meet its obligations.
- The North should not be allowed to keep existing spent fuel or accumulate new quantities. All spent fuel produced by the North's existing nuclear program, whether known or discovered

during future IAEA inspections, must be shipped out of the country for storage or reprocessing before the first LWR is complete. Just as important, the North must not be allowed to hold onto spent fuel from the new reactors. Though difficult to reprocess and to fashion into a weapon, this fuel is still an enormous potential supply of weapons-usable plutonium. Arrangements must be made to ship this spent fuel out of the North before the first light water reactor becomes operational.

- It is essential that Japan be involved at all stages of the agreement's implementation and in the management of related issues. Tokyo's stake in the accord is no less than Washington's or Seoul's. Japan's participation is crucial for the success of KEDO; so too is its support of any alternative strategy should the accord not be implemented in full. Political, and even more importantly, economic normalization with the North must be pursued in step with Washington and Seoul and in direct relation to the North's adherence to the terms of the Agreed Framework and to its taking concrete steps to satisfy the broader agenda of regional security and North-South relations.
- China, as North Korea's only significant ally, must also be involved in the accord's implementation. Beijing should understand that it will be expected to help in encouraging the DPRK to adhere to its commitments, including the renewal of its dialogue with South Korea. China is also in a unique position to convey to the North the readiness of the United States and others to pursue an alternative strategy if need be. The United States, South Korea, and Japan all have a stake in making China's policy toward North Korea a priority in their bilateral relations with Beijing.
- The normalization of relations with North Korea beyond the immediate steps specified in the accord must be linked to explicit progress in resolving broader U.S., South Korean and Japanese concerns. These concerns include but are not limited to the North's military deployments, its ballistic missile and chemical weapons programs, and the fulfillment of commitments to improve the North-South relationship. The three governments should avoid introducing new political and economic benefits solely as a response to the North's compliance with nuclear-related requirements; at the same time, they should meet the accord's nuclear-related

obligations so long as the North complies with its obligations in the nuclear realm.

- The governments of the United States, South Korea, and Japan should consult on an urgent basis on steps to be taken in the event implementation of the agreement breaks down. Such consultations have the potential not only to save valuable time in preparing a fallback strategy but in increasing the chance that the North will implement the accord in good faith lest it face a harsh alternative. Such a strategy should consist of withdrawing all of the diplomatic and economic benefits provided to the North by the accord, introducing increased economic penalties through concerted international action and possibly Security Council sanctions, reinforcing the deterrent military presence in the South, and reconsidering U.S. nuclear posture on the peninsula. Trilateral consultations should also address other possible responses to failed implementation, including options for the use of force.
- The accord, even if implemented successfully, is only one element of U.S. foreign policy toward this critical part of the world. No U.S.-DPRK agreement can substitute for a continued strong military, political, and economic presence of the United States in the region and the maintenance of adequate military forces (in an adequate state of readiness) on the peninsula. To the contrary, the accord's success—and much more—depends on such an American posture. Any doubts on this point would not only jeopardize this diplomatic achievement but would introduce fundamental uncertainties into an area that has known and enjoyed considerable peace and prosperity for more than a generation.

**APPENDIX 1:
AGREED FRAMEWORK BETWEEN
THE UNITED STATES OF AMERICA AND
THE DEMOCRATIC PEOPLE'S
REPUBLIC OF KOREA
Geneva, October 21, 1994**

Delegations of the Governments of the United States of America (U.S.) and the Democratic People's Republic of Korea (DPRK) held talks in Geneva from September 23 to October 21, 1994, to negotiate an overall resolution of the nuclear issue on the Korean Peninsula.

Both sides reaffirmed the importance of attaining the objectives contained in the August 12, 1994 Agreed Statement between the U.S. and the DPRK and upholding the principles of the June 11, 1993 Joint Statement of the U.S. and the DPRK to achieve peace and security on a nuclear-free Korean peninsula. The U.S. and DPRK decided to take the following actions for the resolution of the nuclear issue:

I. Both sides will cooperate to replace the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants.

1) In accordance with the October 20, 1994, letter of assurance from the U.S. President, the U.S. will undertake to make arrangements for the provision to the DPRK of a LWR project with a total generating capacity of approximately 2,000 MW(e) by a target date of 2003.

- The U.S. will organize under its leadership an international consortium to finance and supply the LWR project to be provided to the DPRK. The U.S., representing the international consortium, will serve as the principal point of contact with the DPRK for the LWR project.

- The U.S., representing the consortium, will make best efforts to secure the conclusion of a supply contract with the DPRK within six months of the date of this Document for the provision of the LWR project. Contract talks will begin as soon as possible after the date of this Document.
- As necessary, the U.S. and the DPRK will conclude a bilateral agreement for cooperation in the field of peaceful uses of nuclear energy.

2) In accordance with the October 20, 1994 letter of assurance from the U.S. president, the U.S., representing the consortium, will make arrangements to offset the energy foregone due to the freeze of the DPRK's graphite-moderated reactors and related facilities, pending completion of the first LWR unit.

- Alternative energy will be provided in the form of heavy oil for heating and electricity production.
- Deliveries of heavy oil will begin within three months of the date of this Document and will reach a rate of 500,000 tons annually, in accordance with an agreed schedule of deliveries.

3) Upon receipt of U.S. assurances for the provision of LWR's and for arrangements for interim energy alternatives, the DPRK will freeze its graphite-moderated reactors and related facilities and will eventually dismantle these reactors and related facilities.

- The freeze on the DPRK's graphite-moderated reactors and related facilities will be fully implemented within one month of the date of this Document. During this one-month period, and throughout the freeze, the International Atomic Energy Agency (IAEA) will be allowed to monitor this freeze, and the DPRK will provide full cooperation to the IAEA for this purpose.
- Dismantlement of the DPRK's graphite-moderated reactors and related facilities will be completed when the LWR project is completed.
- The U.S. and DPRK will cooperate in finding a method to store

safely the spent fuel from the 5 MW(e) experimental reactor during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

4) As soon as possible after the date of this document U.S. and DPRK experts will hold two sets of experts talks.

- At one set of talks, experts will discuss issues related to alternative energy and the replacement of the graphite-moderated reactor program with the LWR project.
- At the other set of talks, experts will discuss specific arrangements for spent fuel storage and ultimate disposition.

II. The two sides will move toward full normalization of political and economic relations.

1) Within three months of the date of this Document, both sides will reduce barriers to trade and investment, including restrictions on telecommunications services and financial transactions.

2) Each side will open a liaison office in the other's capital following resolution of consular and other technical issues through expert level discussions.

3) As progress is made on issues of concern to each side, the U.S. and DPRK will upgrade bilateral relations to the Ambassadorial level.

III. Both sides will work together for peace and security on a nuclear-free Korean peninsula.

1) The U.S. will provide formal assurances to the DPRK, against the threat or use of nuclear weapons by the U.S.

2) The DPRK will consistently take steps to implement the North-South

Joint Declaration on the Denuclearization of the Korean Peninsula.

3) The DPRK will engage in North-South dialogue, as this Agreed Framework will help create an atmosphere that promotes such dialogue.

IV. Both sides will work together to strengthen the international nuclear non-proliferation regime.

1) The DPRK will remain a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and will allow implementation of its safeguards agreement under the Treaty.

2) Upon conclusion of the supply contract for the provision of the LWR project, ad hoc and routine inspections will resume under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. Pending conclusion of the supply contract, inspections required by the IAEA for the continuity of safeguards will continue at the facilities not subject to the freeze.

3) When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403), including taking all steps that may be deemed necessary by the IAEA, following consultations with the Agency with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear materials in the DPRK.

LETTER FROM PRESIDENT CLINTON TO HIS
EXCELLENCY KIM JONG ILTHE WHITE HOUSE
WASHINGTON
October 20, 1994

Excellency:

I wish to confirm to you that I will use the full powers of my office to facilitate arrangements for the financing and construction of a light-water nuclear power reactor project within the DPRK, and the funding and implementation of interim energy alternatives for the Democratic People's Republic of Korea pending completion of the first reactor unit of the light-water reactor project. In addition, in the event that this reactor project is not completed for reasons beyond the control of the DPRK, I will use the full powers of my office to provide, to the extent necessary, such a project from the United States, subject to approval of the U.S. Congress. Similarly, in the event that the interim energy alternatives are not provided for reasons beyond the control of the DPRK, I will use the full powers of my office to provide, to the extent necessary, such interim energy alternatives from the United States, subject to the approval of the U.S. Congress.

I will follow this course of action so long as the DPRK continues to implement the policies described in the Agreed Framework Between the United States of America and the Democratic People's Republic of Korea.

Sincerely,

BILL CLINTON

His Excellency Kim Jong Il
Supreme Leader of the
Democratic People's Republic of Korea
Pyongyang

APPENDIX 2: AGREED FRAMEWORK TIME LINE

- 1994: Agreed Framework Signed (B)
 Freeze Existing Nuclear Facilities (DPRK)
 Freeze Construction of 200MW & 50MW reactors (DPRK)
 IAEA Monitoring of frozen facilities commences (DPRK)
 Efforts begin on safe storage of "old" spent fuel (B)
- 1995: First delivery of heavy fuel oil (Jan.) (U.S.)
 Trade & investment barriers reduced (Jan.) (B)
 KEDO established (Mar.) (U.S.)
 Liaison offices to open in Washington/Pyongyang (B)
 Sign supply contract for LWR project (4/21 target date) (B)
 Resume ad hoc and routine IAEA inspections of "non-frozen" facilities (DPRK)
 Site survey for LWR project to begin* (U.S.)
- 1996*: Construction of LWR-1 to begin (U.S.)
- 1999*: DPRK to comply fully with IAEA safeguards*** (DPRK)
 U.S.-DPRK nuclear cooperation agreement** (B)
 Nuclear components of LWR-1 to be delivered (U.S.)
 Shipments of "old" spent fuel to begin*** (DPRK)
- 2001*: Shipments of "old" spent fuel to be completed (DPRK)
 Dismantling of existing nuclear facilities to begin (DPRK)
 LWR-1 to be completed (U.S.)
 Shipments of heavy fuel oil to cease (U.S.)
- 2003*: Dismantling of existing nuclear facilities to be completed (DPRK)
 LWR-2 to be completed (U.S.)

Note: No deadlines were set for addressing either North-South issues or non-nuclear issues of concern to the U.S.

Key: *estimated
 **if necessary
 ***could occur sooner

(B) = shared obligation
 (DPRK) = DPRK obligation
 (U.S.) = U.S. obligation

SUCCESS OR SELLOUT?

The U.S.-North Korean Nuclear Accord

Report of an Independent Task Force

The U.S.-North Korean Agreed Framework of October 1994 holds the potential for resolving the nuclear proliferation threat from the North, promoting stability on the Korean Peninsula, and furthering North-South dialogue. Yet it also could exacerbate tensions on the peninsula and introduce new problems into U.S. ties with both South Korea and Japan. The key now lies in Washington, Seoul, and Tokyo; how they manage the pact's implementation will determine—even more than its terms—whether the accord leads to good or ill.

This report—the result of an expert bipartisan task force—traces the history of the negotiations, explains what the accord contains, what it requires from the parties, and provides responses to commonly raised questions and criticisms. It also suggests some guidelines for the United States, South Korea, and Japan as they implement the agreement—or protect themselves against its failure.

*Cosponsored by
the Council on Foreign Relations and the
Seoul Forum for International Affairs*