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**THE SITUATION ON THE KOREAN PENINSULA
AND UNITED STATES STRATEGY IN THE
INDO-PACIFIC REGION**

HEARING

BEFORE THE

**COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE**

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

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**THE SITUATION ON THE KOREAN PENINSULA
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TUESDAY, JANUARY 30, 2018

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m. in Room SH-216, Hart Senate Office Building, Senator James Inhofe presiding.

Members present: Senators Inhofe, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Perdue, Cruz, Scott, Reed, Nelson, McCaskill, Shaheen, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine, King, Heinrich, Warren, and Peters.

OPENING STATEMENT OF SENATOR JAMES INHOFE

Senator INHOFE. Our meeting will come to order.

We are discussing something up here informally, a problem. It is not your fault. You have nothing to do with it, but you are the victim of it. It happens that we have four committee hearings at the same time this morning that happen to be very significant ones, so we will have a lot of movement in and out, and I apologize for that.

Our Armed Service Committee meets this morning to receive testimony on the situation on the Korean Peninsula and the United States strategy in the Indo-Pacific region.

I would like to welcome our distinguished panel of witnesses this morning: Admiral Dennis Blair, former Commander of the U.S. Pacific Command and Director of National Intelligence; Dr. Michael Green, senior vice president for Asia and Japan chair at the Center for Strategic and International Studies; and Ms. Kelly Magsamen—does that sound good?—the vice president of national security and international policy at the Center for American Progress.

Last week, we had the honor of having Secretaries Kissinger and Shultz here to discuss global challenges, and they both agreed that North Korea is our most imminent—they always use “imminent threat.” Every witness that we have had so far has talked about that. The others can be different threats, China or problems with Russia. But when they talk about imminent threat, that is what they talk about.

General John Hyten, U.S. Strategic Command Commander, said last September that he views North Korea’s ability to deliver a nuclear weapon on an ICBM [Intercontinental Ballistic Missile] as a matter of when, not if.

Of course, I think November 28th changed all that. We know that range is something that is there. They can argue and say, "Well, could they actually have carried a payload for that kind of a range?" That doesn't give me a lot of comfort. The problem is still there, and it is potentially a very dangerous position.

Unfortunately, the technology is in the hands of an erratic despot with clear disregard for U.N. Security Council resolutions. In view of this stark reality, this committee must confront difficult questions about the United States policy and strategy for achieving our stated objectives of defending our homeland, protecting our allies, and denuclearizing the Korean Peninsula.

We look forward to our witnesses' assessments of the current state of play on the Peninsula and United States offensive and defensive measures, including missile defense programs.

In particular, we look forward to our witnesses' recommendations for how the United States can pursue an effective, long-term deterrence strategy for North Korea.

These are very difficult questions, and we have excellent opinions that we will be hearing from you. We thank you very much.

Senator Reed?

STATEMENT OF SENATOR JACK REED

Senator REED. Thank you very much, Mr. Chairman, and let me join you in welcoming the witnesses.

Thank you for your work and for your presence here today. I believe everyone here today is very concerned about both the rate of advancement of North Korea's nuclear and missile programs and the lack of progress on the diplomatic front.

Last October, I visited South Korea and the DMZ [Demilitarized Zone], and when I returned, I gave a speech regarding my concerns about the national security challenges posed by North Korea and the importance of diplomacy. I laid out specific areas that I believe this administration needed to work on to address this crisis. I am still quite concerned that we have made little or no progress in these areas and that we are not doing everything we need to set the right conditions for diplomacy with North Korea.

Our State Department is lacking critical personnel, and we still do not have an Ambassador to South Korea. The mixed messaging coming from the administration is undermining what should be one consistent message to North Korea, that the United States will continue to exert maximum pressure diplomatically and economically until North Korea comes to the table and agrees to a negotiated solution, and that the United States will only use military force as a last resort. Finally, our coordination with our allies and partners lacks the robustness and unity that I would have hoped for, given the importance of this crisis.

I am also concerned that there is a lot of cavalier talk about war and limited strikes with North Korea. There is widespread agreement that a war with North Korea is not in our long-term interests. A war with North Korea will result in a tremendous loss of life, the likes of which we have not seen since World War II, and subsequent stabilization efforts will take years, possibly decades. It will cost the United States taxpayers billions of dollars, much more than either Iraq or Afghanistan. It will monopolize our military,

diplomatic, and financial resources, and leave us with limited options to position ourselves globally and take on other adversaries, including the long-term threats from Russia and China, or address other crises. We will be in a worse position than we are right now.

We have never been very successful at divining the long-term strategic impacts of going to war. There are a multitude of unintended consequences to every war, and this one would be no different. I think we owe it to the citizens of this country and our allies and partners to take a long, hard look at the cost and risks associated with a war with North Korea.

I hope our witnesses today can provide us with their expert views on the possible long-term strategic impacts of that potential conflict.

Finally, I look forward to hearing how we should be positioning ourselves, both diplomatically and militarily, to engage in a long-term containment and deterrence campaign with North Korea, if diplomacy fails.

Thank you, and I look forward to hearing your testimony on these important issues.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Reed.

Admiral Blair, we have introduced all three of you. It is nice to be back with you. We look forward to your testimony. Let's try to get it as close to 5 minutes as possible, but your entire statement will be made a part of the record.

Admiral Blair?

**STATEMENT OF ADMIRAL DENNIS C. BLAIR, U.S. NAVY (RET.),
CHAIRMAN AND DISTINGUISHED FELLOW, SASAKAWA
PEACE FOUNDATION**

Admiral BLAIR. Yes, sir. Chairman Inhofe, Ranking Member Reed, members of the committee, thank you very much for continuing this important discussion in open session. The American people need to know: What are the stakes, what are the risks, in dealing with the challenge of North Korea?

I would like to correct several widely held misconceptions about North Korea.

Misconception one: Nuclear deterrence does not work for North Korea. In fact, American nuclear deterrence has been effective since North Korea became a nuclear power in 1991, 1992. None of the three generations of Kim dictators has used nuclear weapons during those 26 years for fear of American retaliation.

North Korea's ICBM delivery capability, which can never be fully tested because of geographical limitations and a larger number of weapons are still dwarfed by the American arsenal. That situation will not change this fear and the effectiveness of deterrence.

Misconception two: Sanctions have not worked against North Korea. In fact, serious and strict sanctions have never been tried against North Korea. The formal sanctions by the U.N. have been less strict than those against either Syria or Iran, and even those have been inadequately enforced. With a sustained and comprehensive intelligence and diplomatic effort, real pain can be inflicted on North Korea. In the past, when it has suffered real economic pain, it has loosened its repressive grip.

Misconception three: North Korea will never give up its nuclear weapons. It is true that you only get what you inspect with agreements with North Korea. However, that country has been willing to slow and sell parts of its program over the years in return for political and economic concessions.

The United States and the international community should never accept North Korea as a nuclear state. We should retain our ultimate goal of verifiable, irreversible, complete disarmament. But we can learn something, we may gain something, by patient, well-prepared, highly skeptical talks with the North Koreans about their programs.

Misconception four: Time is on North Korea's side. Look at that iconic satellite picture of the Korean Peninsula by night, with a black void north of the DMZ, bright lights to the south. Tell me, which country is a success? Which country is on the ropes?

Misconception five: American policy toward North Korea has failed. Look at that satellite picture again. Which of those two countries is an ally of the United States? Yes, the dark country to the north has nuclear weapons, but its quest to develop them has played a role in impoverishing and isolating it. The bright country to the south could have developed nuclear weapons, but with our active encouragement, it has chosen to rely on the American nuclear guarantee. That guarantee, as I pointed out, has been effective for over a quarter of a century.

Misconception six: The United States has no policy choices but to attack North Korea. In fact, we have many means to deal with North Korea. We can continue to deter the use of North Korea's nuclear weapons in the future as we have in the past, despite their development of an inadequately tested ICBM and a growing but very limited stockpile of nuclear material. We can bring stronger sanctions against North Korea than in the past, especially against the members of the Kim dynasty and those officials that support it through criminal activities around the world. We can refine and exercise and resource the contingency plans for a conflict in Korea, so that victory will be as quick as possible and so that North Korea has no doubt of the result. As it has in the past, a robust contingency plan for major conflict puts an upper limit on North Korean provocations, and they are very aware of it, and they try to stay below it.

We can and we should respond to North Korean provocations, however, from special forces attacks, to missile attacks, to reckless nuclear tests, with powerful military strikes of our own, in conjunction with the Republic of Korea. We can do so with little risk of North Korean escalation.

Note that I said, "respond." It matters how an exchange like this begins. Preemption leads to unknown territory. The results have been unpredictable, often adverse, and both international and domestic support have been thin. Retaliation, however, is much more certain in its effects. It runs far less risk of escalation. It is widely supported at home and abroad.

Finally, we can pursue vigorous programs to open up North Korea with information. The objective is for its people, and especially those powerful organizations that now support the Kim dynasty—the army, the police, the intelligence services, the media,

the propaganda organization—to open those organizations up to realize that they can do much better without the Kims.

I am mystified, frankly, by the gloom and doom that I hear about American policy toward North Korea. We have successfully handled this threat in the past, and we can do so in the future.

Thank you. I look forward to your questions.

[The prepared statement of Admiral Blair follows:]

PREPARED STATEMENT BY DENNIS C. BLAIR

There are at least five common misconceptions about North Korea that are making it difficult for policy makers to come up with an effective set of actions to deal with that country. This statement discusses those misconceptions and then makes recommendations for a sustained policy to support American interests and those of our allies.

1. *Misconception One: Nuclear deterrence does not work in the case of North Korea.*

In fact, American nuclear deterrence has been effective against all three generations of the Kim dynasty.

North Korea first gained access to nuclear technology and materials in 1962 when it established, with Soviet assistance, the Yongbyon Nuclear Scientific Research Center. In 1993, when Kim il Sung was still dictator, the IAEA conducted a series of inspections of Yongbyon, and announced that North Korea had diverted plutonium from the reprocessing plant there for nuclear weapons. In 2002, now with Kim Jong-il in charge, North Korea admitted publicly that it had a clandestine nuclear weapons program, and conducted two nuclear weapons tests. Now the third Kim dictator, Kim Jong-un, has openly claimed that his country has nuclear weapons, and tested them four times.

In other words, North Korea has had nuclear weapons for about 25 years. Yet it has not used them. It is not because of a lack of delivery systems. Crude large nuclear weapons that are well within North Korea's technical capacity could have been, and still can be, delivered against South Korea, Japan, and even the United States, by submarine, disguised fishing boat, or bomber aircraft.

North Korea has not used nuclear weapons for the same reason no other country has used them against another nuclear power or its allies—fear of retaliation. The Kim regime wants above all to maintain its ruling position and survive. Using a nuclear weapon against the United States or its allies means certain destruction of North Korea, the end of the regime, and death of the current Kim despot and his family.

Intercontinental ballistic missiles are simply another delivery system for North Korean nuclear weapons. Because of the limitations of North Korean testing, their nuclear missile force will always be of unknown reliability. North Korean ICBMs will be weapons for bargaining and blustering, not for delivering against a country with thousands of highly reliable, thoroughly tested nuclear systems.

2. *Misconception Two: Sanctions have not worked against North Korea*

In fact, strict sanctions have never been attempted against North Korea.

As Nicholas Eberstadt reminded us recently in an article in *Commentary Magazine*, the international sanctions against North Korea have been only moderately punitive, and have been weakly enforced.

We know that reduction in outside support can destroy the North Korean economy. This is what happened when Soviet support collapsed in the early 90s, and overall foreign merchandise coming into North Korea dropped by half. The Korean economy seized up, and there was a mass famine. Even Kim Jong-il had to make concessions and reforms to stay in power.

In the last five years, based on a combination of a limited and controlled private market system within the country and a restoration of inflows of food and merchandise from other countries, North Korea has improved and stabilized its economy. Yet it remains vulnerable to sanctions. International sanctions against North Korea are less strict than those against either Syria or Iran. Many countries are paying even these sanctions lip service, while permitting North Korean slave labor to work in their countries and turning a blind eye to criminal activity run out of North Korean embassies.

Part of the work in putting a true economic squeeze on North Korea is up to China. However, the United States can influence that by secondary sanctions against Chinese companies that are successfully violating the sanctions. The rest of the work is divided among many countries. The United States is beginning to monitor sanctions implementation by other countries, almost all of which can be shamed

into tightening sanctions, as was Malaysia following the assassination of Kim Jong-un's half-brother in the Kuala Lumpur airport. It will take a sustained intelligence and diplomatic effort to build international economic sanctions that will cause real pain to North Korea's leaders, but it has not been done yet.

3. Misconception Three: Korea will never give up its nuclear weapons.

In fact, North Korea has bartered some of its nuclear weapons programs for political and economic concessions.

It is true that North Korea will comply only and barely with provisions of agreements it signs that can be inspected, and it will hide as much as it can of other parts of its program. Under the 1994 Agreed Framework North Korea concealed its uranium enrichment program, but it did agree to give up its plutonium program. In 2008, the Six Party talks had produced an agreement that controlled both the plutonium and uranium nuclear weapons programs. North Korea balked at the end of the negotiations and refused to agree to effective verification.

Although there are many advantages to North Korea from having nuclear weapons, there are also heavy costs. The negotiating record shows that North Korea cannot be trusted any further than it can be inspected, but that it is also willing to give up at least some of its nuclear weapons in return for American economic and political concessions.

For the future, the international community should not accept North Korea as a nuclear state, and the objective of complete, verifiable and irreversible dismantlement of all North Korea's nuclear weapons should remain the ultimate objective of the United States and the entire international community. However, while retaining that overall objective, the United States may learn something and may gain something by patient, well prepared and skeptical negotiations with the North Koreans about their nuclear programs.

4. Misconception Four: Time is on North Korea's side.

In fact, important trends are running against North Korea.

Its primary supporter, China, is increasingly considering it a liability, and is actively discussing with the United States the possibility of North Korean collapse. Its economy hangs by a thread, vulnerable to internal mismanagement, rampant corruption, and external reductions of support. It cannot feed itself. Pyongyang is a Potemkin village of faux prosperity and modernity as the rest of the country struggles to survive. The physical condition of its soldiers is deteriorating and it cannot afford to modernize its military equipment. The number and level of defectors is increasing.

Among its roughly 25 million people it has been able to identify and educate the several thousand scientists and engineers required to develop nuclear weapons, missiles and cyber-attacks. It has supported them with first call on its tiny industrial sector; using the hard currency it earns through criminal activities, it purchases on the international black and gray markets the remaining components these programs need.

North Korea is no more than an extreme example of a pattern we have seen many times in history, a pattern with an unbroken record of regime failure. Dictators attempt to maintain their grip on power through a combination of repression, nationalism and materialism. They ultimately fail. The Kim dynasty so far has been unflinching in its repression, but its nationalism is artificial and it consistently fails to meet the material needs of its people. The wheels will come off sooner or later. The United States should pursue policies that make that date as soon as possible, but recognize that the pressure from within North Korea will be the primary cause of collapse.

5. Misconception Five: American policy towards North Korea has failed.

By any objective measure, American policy on the Korean Peninsula has been a signal success.

At the end of the Korean War in 1953, the Korean Peninsula was divided into two countries, one an ally of the United States and the other an ally of the Soviet Union. North Korea had most of the industrial capacity and natural resources on the Peninsula. With China's and the Soviet Union's approval it had attempted to conquer South Korea by force of arms, and was still determined to do so.

Sixty-five years later South Korea is still America's ally, it is the 4th largest economy in Asia and the 11th largest in the world, it has transitioned peacefully from a dictatorship to a democracy, and North Korea has no chance of conquering it successfully.

North of the DMZ is a country that has nuclear weapons, but has no allies or friends, is among the poorest in the world and is a brutal dictatorship.

To judge American policy on the Korean Peninsula by its failure to achieve one of its many objectives, prevention of a North Korean nuclear capability, is both narrow and dangerous. Any country that is willing to sacrifice the well-being of its peo-

ple and endure international diplomatic and economic isolation can develop nuclear weapons. The technology and the component parts are widely available.

6. *The United States has no policy choices but to attack North Korea.*

In fact, building on what it has learned in dealing with North Korea over the years, the United States has many policy choices.

American policy towards North Korea must evolve to meet North Korea's advances in developing long-range missiles, nuclear weapons and cyber weapons. There have also been changes in the security environment in Northeast Asia that must be taken into account. However, the successes as well as the shortcomings of past American policy should be considered as the United States formulates policies for the future to deal with North Korea.

Yes, North Korea has been able to develop nuclear weapons. They have had them for 25 years. However, the Kim dynasty, with its finely-honed survival instincts and skills, is as subject to deterrence from the actual use of those weapons as have been all governments, totalitarian or democratic, that have developed a nuclear capability since the atomic age began. Although the development of nuclear weapons has been a high priority for North Korea, over the years it has been willing to trade parts of its program for political and economic gains. While never recognizing it as a nuclear state, other countries can shape North Korea's nuclear weapons program through negotiations. Sanctions against North Korea can be much stronger than they ever have been, cause greater economic pain, especially to the members of Kim dynasty and its immediate supporters. Many trends are running against North Korea that the United States can nurture and reinforce.

Military preparedness, and the use of military force are vital components of American policy towards North Korea. The United States and the Republic of Korea have developed, exercised and resourced a contingency plan to turn back a North Korean attack, destroy the North Korean armed forces, and take control of the entire peninsula. North Korea knows that it will lose a major war if it starts one. Damage will be heavy on all sides, but there is no question about the outcome. North Korea keeps its provocative actions below the threshold that it believes will trigger a major conflict it knows it will lose.

The United States and the Republic of Korea have been less effective in responding to North Korean provocations below the level of major attack—from the capture of the *Pueblo* to the sinking of the South Korean frigate *Cheonan* to cyber-attacks. Responses that have been effective are serious military operations like the chopping down of the cherry tree in the DMZ in 1976, backed by major force deployments to South Korea, and the preparations to bomb the Yongbyon reactor in 1994. Every time the US–ROK response has been relevant and strong, supported by contingency plan preparations that make it clear that if North Korea escalates the Alliance is ready for major war, North Korea backs down. It will later in the future commit further and different provocations, but it will retreat in the near term.

The United States and the Republic of Korea should respond promptly and disproportionately to North Korean provocations such as missile tests that land on or near American, South Korean or Japanese territory and nuclear tests in the Pacific Ocean, as well as traditional limited military provocations by special forces or regular military units. North Korea will understand that the actions are retaliation for what North Korea has done. At the same time, when these responses take place, the Combined Forces Command of the United States and the Republic of Korea must raise its readiness level so the North Koreans know that if they escalate the confrontation, they risk starting a war they know they will lose.

Finally, the kryptonite that can weaken North Korea is information from beyond its borders. Subjected to an unrelenting barrage of government propaganda, ordinary citizens, soldiers, and even many in the favored elites do not understand just how bad things are in their country compared to the rest of the world. About one fifth of North Koreans have access to cell phones that connect to cell towers on the Chinese side of the Yalu River, allowing penetration of information from the outside. Texts to these cell phones can provide subversive truth. There are many other ways that Koreans can be informed about the true state of their country, countering the relentless propaganda and repression of the Kim regime. Cell towers can be extended; CDs and thumb drives can be smuggled in; radio and TV stations can be beamed there. While it is very difficult for ordinary citizens to revolt against the regime, the objective is to separate the Kim family from its primary support—the secret police, the Army and the propaganda ministry. In other equally brutal totalitarian states, these elites have realized that life would be better for their country if they replaced the dictator, and once that process starts, it is hard to stop. Such will be North Korea's fate.

Senator INHOFE. Thank you, Admiral.

Dr. Green?

STATEMENT OF MICHAEL J. GREEN, Ph.D., SENIOR VICE PRESIDENT FOR ASIA AND JAPAN CHAIR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Dr. GREEN. Thank you, Senator Inhofe, Senator Reed, and members of the committee.

If I may, I would like to just briefly open my remarks by acknowledging the enormous contributions Senator McCain has made as chairman of this committee to American focus, resolve, and credibility in the Asia-Pacific region, all things we are going to need as we address the topic we are focusing on today.

The administration's "Free and Open Indo-Pacific Strategy," I believe, is a useful framework that recognizes great power competition with China and the importance of solidifying our alliances with democratic allies and partners in the region. The strategy will only have credibility if it is resourced and if we do something about the vacuum that we have created by withdrawing from the Trans-Pacific Partnership, and, of course, if we are wise, managing the growing threat posed by North Korea's rapid development and deployment of nuclear weapons and ballistic missiles.

The Hwasong-15 missile tested last year is a road-mobile, solid-fueled intercontinental ballistic missile that ranges the United States and would be extremely difficult to find and destroy in a crisis scenario with Pyongyang, and the North is probably months away from being able to develop and deploy a warhead that could survive reentry into the atmosphere.

I believe, with this new capability, we are entering dangerous territory with North Korea.

First, North Korea will likely use nuclear blackmail against the United States as a shield for increased coercion and intimidation comparable to the 2010 attacks on South Korea, when North Korea sunk the corvette *Cheonan* in order to decouple the United States from our allies and try to force Seoul to make concessions and perhaps, one day, capitulate to the North.

Second, with nuclear weapons capability, North Korea will be tempted to transfer this capability to other dangerous actors in pursuit of cash or leverage against the United States, as Pyongyang threatened to do in 2003 in talks I joined with the North Koreans in Beijing and then subsequently did when they helped Syria build a reactor complex in El Kibar in 2007 until the Israeli Air Force took it out.

Third, this new dynamic could create a situation where our allies, Japan or South Korea, may question the viability of our nuclear umbrella.

I do not think diplomacy is going to solve this problem for us in any meaningful way in the foreseeable future. I do believe, as Admiral Blair said, there is a role for dialogue with North Korea in terms of clarifying positions, gathering intelligence. But I could not tell you a realistic formula under which North Korea abandons its nuclear weapons programs in the foreseeable future, even with significantly increased pressure.

The administration probably knows this, which is why we hear talk of preventive war or now a bloody nose strategy designed to

force Pyongyang to back down. But I do not believe that preventative military action is going to solve this problem for us either.

It is possible that Pyongyang would capitulate after a United States military strike, but we have not tested that proposition since the Korean War, and most North Korea experts in and out of the United States Government will tell you that Kim Jong Un would have to strike back.

Escalation to nuclear, biological, or chemical weapons by the North would mean a conflict that goes from tens of thousands killed to millions. Put another way, the preventative use of military force is likely to make the dangers associated with North Korea's nuclear and ballistic missile programs worse, increasing tensions with our allies, the danger of North Korean transfer to third parties, and the prospect that Japan or Korea might consider their own nuclear weapons if they were hit in retaliation after a United States strike.

I find it difficult to imagine a situation or a meeting in which the principals decide that these risks are more tolerable than the risks associated with a strategy of containing and deterring North Korea.

I suspect that the administration has not fully weighed these options because they are in the mode of maximizing pressure on North Korea in the hope of obtaining a diplomatic breakthrough. But I believe that, sooner or later, we are going to be forced to look at a new strategy that focuses on containment and deterrent.

Now, the elements of this strategy are worth debating now. We need to enhance and expand the robust financial sanctions introduced in September, the most sweeping we have ever imposed on North Korea, including the application, where appropriate, to third countries and firms and entities in China and Russia that are enabling North Korea in violation of Security Council sanctions. We need to engage in maritime interdiction operations against ships we are already tracking to stop inward and outward proliferation. We need to increase bilateral and regional missile defense cooperation with our allies. We need to reboot our relationship with Seoul. The United States-Korea alliance, in my view, is the center of gravity in this entire problem. We need an Ambassador in Seoul. We need to avoid gratuitous trade friction with our allies at a time when our enemies and our adversaries are trying to decouple us from South Korea.

We have to address shortfalls in ammunition, readiness, and joint exercises so that military options are credible, should they become necessary. We need to update our counter-provocation planning with South Korea to ensure, as Admiral Blair said, that we are ready for prompt and decisive responses to North Korean attempts at coercion, which they may be tempted to expand with their new capability.

We do need to increase diplomatic, economic, and military pressure not only on North Korea but on third states that might be tempted to become potential customers of Pyongyang.

We need a diplomatic track. As Admiral Blair said, we need to be deeply skeptical. We should not go in with the expectation it will yield decisive results, and we should not trade away sanctions, deterrence, or readiness just for the privilege of talking with North Korea.

For all of this, we are going to have to increase intelligence support.

This approach involves an increased level of risk for the United States. It is not the approach we have had in the past, but I think the level of risk we are talking about is more tolerable and more appropriate than the risk associated with either passive deterrence or moving toward preventive war or a so-called bloody nose.

This strategy is also less likely to break American alliances, damage American credibility, and, therefore, would better position us to implement an effective, free, and open Indo-Pacific strategy to deal with a larger challenge we face, which is the rise of China and the shifting balance of power in the region.

Thank you.

[The prepared statement of Dr. Green follows:]

PREPARED STATEMENT BY DR. MICHAEL J. GREEN

I appreciate the opportunity to address the committee on the Trump administration's broader "Free and Open Indo-Pacific Strategy" and the rising danger posed by North Korean nuclear proliferation.

In my view the administration is to be commended for articulating a strategic framework for the Asia-Pacific region that recognizes great power competition with China and the importance of solidifying our alliances and partnerships with maritime democracies. However, the Free and Open Indo-Pacific framework still suffers from two major shortcomings. The first is the administration's complete retreat on trade, which puts American agriculture exporters at risk as our partners negotiate new access agreements in the region without us—and our strategic influence at risk as China fills the vacuum we have created with their own initiatives like the "Belt and Road."

The second and more immediate challenge is North Korea's rapid development and deployment of nuclear weapons and ballistic missiles. The Hwasong-15 missile tested last year is a road-mobile, solid-fueled intercontinental missile that ranges the United States and would be extremely difficult to detect and pre-emptively destroy in a crisis scenario. CIA Director Mike Pompeo has indicated that the North may be months away from deploying nuclear warheads capable of surviving re-entry into the atmosphere when launched on the Hwasong-15.

For 25 years Republican and Democratic administrations have tried to contain the North Korean nuclear weapons program with a combination of calibrated pressure and engagement. The quantity and quality of the North Korean nuclear and missile capability will no longer allow business as usual.

First, North Korea will likely use nuclear blackmail against the United States as a shield for increased coercion and intimidation comparable to the 2010 attacks on the South Korean corvette *Cheonan* in order decouple us from our allies and force Seoul to make concessions and perhaps one day capitulate.

Second, North Korea will be tempted to transfer their capability to other dangerous actors in pursuit of cash or leverage against the United States, as Pyongyang did in 2007 when it helped Syria build the El Kibar reactor before the Israeli Air Force destroyed that facility.

Third, some argue that Japan or South Korea may question the viability of our nuclear umbrella and be tempted to consider nuclear proliferation.

Diplomacy is not going to solve this problem for us. Dialogue with North Korea will probably become necessary in terms of clarifying positions, managing crises and gathering intelligence, but I could not tell you a realistic formula under which North Korea abandons its programs even with significantly increased pressure.

The administration knows this, which is why we hear talk of preventive war and now a "bloody nose" strategy designed to force Pyongyang to back down. I do not think preventive military action is going to solve this problem for us either, though. It is possible that Pyongyang would retreat and capitulate after a United States military strike, but we have not tested that proposition since the Korean War and most North Korea analysts would tell you that Kim Jong-un would have to strike back. Escalation to nuclear, biological or chemical weapons by the North would mean a conflict that goes from tens of thousands killed to millions.

Put another way, the preventive use of military force is likely to make the dangers associated with the North's nuclear and ballistic missile programs worse. Even

the talk of preventive military action is driving South Korea closer to China and having the perverse effect of accelerating Pyongyang's goal of decoupling us from one of our key allies. Military escalation would increase the likelihood that North Korea transfers nuclear capabilities to a dangerous third state. Should North Korea strike back at Japan or South Korea and survive, the manifest failure of deterrence on our part would make those allies more likely to consider their own nuclear weapons.

I cannot imagine a Situation Room meeting in which the Principals decide that these risks are more "tolerable" than the risks associated with a strategy of containing and deterring North Korea. I suspect the administration has not fully weighed those options because they are in the mode of maximizing pressure on North Korea in the hope of attaining a diplomatic breakthrough. They may be right that dropping the option of a preventive military strike would weaken U.S. leverage at this point. Eventually, however, they will confront the reality that neither diplomacy nor war will solve this problem and they will have to focus on a new strategy to reduce the dangers.

The elements of this new strategy are clear:

- Enhance and expand the robust financial sanctions introduced in September, to include the application of secondary sanctions against Chinese or other firms assisting North Korea;
- Engage in maritime interdiction operations (MIO) against ships we are already tracking in order to contain inward and potential outward proliferation by North Korea;
- Increase bilateral and regional missile defense cooperation with our allies;
- Reboot our relationship with Seoul by sending an ambassador and avoiding gratuitous trade friction;
- Address shortfalls in ammunition, readiness and joint exercises so that military options are credible should they become necessary;
- Update our counter-provocation strategies with South Korea to ensure prompt and decisive responses to North Korean attempts at coercion;
- Increase diplomatic, economic and military pressure to deter third states from becoming potential customers for North Korea;
- Engage in diplomacy with North Korea as one line of effort, but not with the expectation it will yield decisive results and not at the cost of implementing these other elements of deterrence and containment;
- Increase intelligence support.

This approach involves an increased U.S. tolerance for risk compared with the past, but that level of risk is more tolerable and appropriate than either passive deterrence or preventive war. The strategy is less likely to break American alliances or credibility and would better position the United States to implement an effective Free and Open Indo-Pacific Strategy to deal with the larger tectonic shift we face as Chinese power and ambitions grow.

Senator INHOFE. Thank you.

Ms. Magsamen, back to you.

STATEMENT OF KELLY E. MAGSAMEN, VICE PRESIDENT, NATIONAL SECURITY AND INTERNATIONAL POLICY, CENTER FOR AMERICAN PROGRESS

Ms. MAGSAMEN. Good to see you. Senator Inhofe, Ranking Member Reed, members of the committee, my fellow panelists, it is an honor to testify today.

Given the strategic importance of the Indo-Pacific to American interests as well as the potential for historic conflict with North Korea, this hearing provides a much-needed public discussion of the stakes involved. I am submitting a fuller written statement for the record.

But first, I should be clear about one thing: North Korea poses a serious threat to the United States and its allies. North Korea is the country violating multiple U.N. Security Council resolutions. Kim Jong-un is a ruthless tyrant building nuclear weapons on the backs of his oppressed people. However, with tensions high and increasing talk of preventive United States military action, I am

deeply concerned about the prospect of war with North Korea, whether by miscalculation or by design.

I believe that after a thorough analysis of a likely cost of preventive war, as well as a careful examination of the alternatives, it is nearly impossible to conclude that preventive use of force is advisable or even the least bad option, in terms of advancing our national security interests.

War with North Korea would have significant human, economic, and strategic costs, some of which I will outline briefly today.

Estimating the human costs of war is always an imperfect exercise. Much depends on assumptions and scenarios. However, even a limited military strike would likely escalate quickly into a regional conflagration.

South Korea would face an artillery barrage on Seoul, if not a nuclear or chemical attack from the North. According to the Congressional Research Service, between 30,000 and 300,000 could die within days of the conflict, and that is just a conventional conflict.

In addition to 28,500 United States military personnel and thousands of their dependents, there are approximately 100,000 to 500,000 American citizens living in South Korea. There are hundreds of thousands of American citizens and military personnel living in Japan. Of course, Hawaii, Guam, and Alaska are all within range of North Korean missiles.

In the aftermath of war, we would be immediately confronted with a massive humanitarian crisis, not to mention issues of reunification, transitional justice, and demobilization of the North Korean army. Just to give you a sense of scale, the North Korean army, including reservists, is around seven million strong. That is 25 times the size of the Iraqi army in 2003.

There would be economic costs as well. South Korea and Japan are the 12th and third largest economies, respectively. Both are deeply integrated into global supply chains. If nuclear conflict were to occur, RAND estimates that such an attack would cost at least 10 percent of South Korea's GDP [Gross Domestic Product] in the first year alone and that those losses would likely be extended for at least a decade.

Further, direct costs to United States taxpayers of a war with North Korea would be significant. According to another 2010 RAND report, estimates for long-term reconstruction of the Korean Peninsula would top \$1 trillion. I personally think that estimate is low.

Then there are the strategic costs. First, a preventive war without the full support of our Asian allies would do lasting damage to trust in America, not just in Asia, but globally. China and Russia will not sit on the sidelines. China will almost certainly intervene to advance its own interests.

It is likely that China would seek to occupy North Korea at a minimum to prevent state collapse, but also to secure the nuclear sites to their advantage. A long-term Chinese presence in North Korea, and it would almost certainly be long term, would have serious implications for our alliances and our long-term interests in Northeast Asia.

In a worst-case scenario, absent substantial strategic and tactical deconfliction in advance, there is the potential that a direct United

States-China conflict could easily materialize. Russia, which does share a small land border with North Korea, could be counted on to play spoiler.

There would also be the global opportunity costs. A war with North Korea would become the central preoccupation of the President and his national security team for the duration of his term, limiting strategic bandwidth for the United States to deal with other key challenges, like Russia, China, and Iran.

These are just some of the factors the administration would need to consider and address in expansive contingency planning, if they do intend to use preventive use of force.

Finally, I would like to make four quick points on the case for preventive use of force.

Arguments for preventive force are predicated on ultimately unknowable determinations of Kim Jong-un's rationality. It would be a tremendous gamble to bet on how Kim Jong-un would perceive our intentions as well as on his own decision-making.

While the potential for nuclear coercion is real, I agree with Dr. Green, we have a record of successful deterrence and pushback. A preventive attack would undermine America's deterrence strategy by showing we are willing to sacrifice our allies, essentially decoupling them from ourselves.

Three, I have real questions about the purpose and effectiveness of limited preventive use of force. What would we be trying to achieve? How would we control escalation? Would we have high confidence in our success?

Finally, there are basic military realities, which we cannot ignore. In my view, there is no such thing as war over there versus war over here. Millions of innocent civilians, including Americans, are already at risk today.

In sum, national security decision-making often forces us to choose the least-bad option. By far, in the case of North Korea, the worst option is war.

As my fellow panelists have mentioned, there are other options on North Korea that better advance our long-term national security interests at much lower risk, and I look forward to discussing them with the committee today.

[The prepared statement of Ms. Magsamen follows:]

PREPARED STATEMENT BY KELLY E. MAGSAMEN

Chairman McCain, Ranking Member Reed, members of the Committee, my distinguished fellow panelists—it's an honor to testify today on one of our most vexing national security challenges—North Korea. Given the potential for historic conflict with North Korea, this hearing provides a much-needed public discussion of the stakes involved.

First, I should be clear about one thing: North Korea poses a serious threat to the United States and our allies. North Korea is the country violating multiple United Nations Security Council resolutions. And Kim Jong-un is a ruthless tyrant building nuclear weapons on the backs of his oppressed people.

I worked the North Korea challenge every day in my years at the Department of Defense, so I am deeply familiar with the adage that North Korea is the land of lousy options. They are no easy solutions or silver bullets. But I do believe there are some basic ingredients to a sound strategy:

- Clear and consistent strategic messaging;
- Sustained high levels of international pressure;
- Diplomatic persistence, clarity and creativity;
- Strong alliance management;

- Credible deterrence with responsible risk management; and,
- Healthy skepticism about the intentions of China.

To its credit, the Trump Administration has had some important achievements on increasing pressure on North Korea, including strong UN Security Council sanctions resolutions and pushing China further along. In some ways, these are extensions of the Obama Administration's strategy and I believe more can be done to increase pressure. However, the Trump Administration's strategy has also been plagued by incoherence and neglect on many of these other fronts—and as a result, the sum has not been greater than its parts.

With tensions high and increasing talk of preventive United States military action, I am deeply concerned about the prospect of war with North Korea—whether by miscalculation or by design. The question we should be asking ourselves is whether initiating armed conflict with North Korea is necessary or advisable to advance long-term United States national security interests. I believe that after a thorough analysis of the likely costs of preventive war, and a careful examination of the alternatives, it is nearly impossible to conclude that the preventive use of force is advisable or even the least bad option in terms of advancing our interests and minimizing risk.

There is a role for the military instrument to play—it is essential for deterrence credibility, the defense of our allies and to back up diplomacy. But use of force should always be of last resort. If there is an imminent threat to United States Forces in Korea or Japan or elsewhere in the region, or against the United States Homeland, our right to self-defense is clear and absolute. However, there are sound reasons that multiple Administrations have refrained from using force preventively—it would likely be catastrophic in human, economic and strategic terms, not to mention illegal.

The Human Costs:

Estimating the human costs of war is always an imperfect exercise. Much depends on assumptions and scenarios. However, even a limited military strike would likely escalate quickly into a regional conflagration. South Korea would likely face an artillery barrage on Seoul, if not a nuclear or chemical attack from the North.

According to the Congressional Research Service, between 30,000 and 300,000 people could die within days of the conflict. In addition to 28,500 U.S. military personnel and thousands of their dependents, there are approximately 100,000 to 500,000 American citizens living in South Korea. North Korea's ballistic missiles can also range Tokyo, the world's largest city, putting millions at risk. Hawaii and Guam— where millions of American citizens reside—are at the top of the North Korean target list.

Inside North Korea, a major humanitarian crisis would likely unfold in the aftermath of use of force. Food supplies and basic health care would be scarce, exacerbated by massive refugee flows numbering in the millions. Hundreds of thousands of political prisoners and detainees would also need critical attention.

Post-conflict security demands would be similarly daunting. North Korea has the fourth largest military in the world: over a million strong with more than seven million reservists. Including troops and reservists, that is nearly 25 times the size of the Iraqi army in 2003. Even as foreign forces worked to seize nuclear sites and materials, stocks of chemical weapons would be scattered around the country, along with caches of conventional weapons in underground tunnels and facilities.

Surviving factions could ignite civil war and insurgency. As a result, according to some estimates, stabilization and peacekeeping tasks could require more than 400,000 troops.

This does not even begin to address the complex governance issues that would instantly emerge. We have encountered questions on unification, demobilization, and transitional justice in prior conflicts and have not acquitted ourselves well in dealing with them. Members of this Committee certainly remember these lessons from our experiences in Iraq.

The Economic Costs:

On the potential economic costs of war, let's start with a few simple facts:

- The Republic of Korea (ROK) is the 12th largest economy in the world and is deeply integrated into global supply chains.
- Japan is the 3rd largest economy in the world by nominal GDP, and deeply integrated into global supply chains.
- The ROK and Japan account for approximately 7% (or \$1.14 trillion) of global merchandise exports and 6% (or \$1.01 trillion) of global merchandise imports. Japan is the world's 4th largest exporter and 5th largest importer of merchan-

dise; South Korea is the world's 8th largest exporter and 10th largest importer of merchandise.

If nuclear conflict were to occur, the RAND Corporation estimates that such an attack would cost at least 10 percent of the ROK's GDP in the first year alone and that those losses would likely be extended for at least ten years. And these estimates don't even include a strike on Hawaii or Japan.

Further, direct costs to United States taxpayers of a war with North Korea would be significant. According to another 2010 RAND report, estimates for long-term reconstruction of the Korean Peninsula top \$1 trillion.

The Strategic Costs

The strategic costs of preventive war with North Korea would be quite consequential for long-term United States interests, even assuming military success. Three questions factor most in my mind:

- **What will be the long-term impact on our alliances?** If a military strike is conducted without the concurrence of the Republic of Korea and Japan, you can expect an end to the alliance relationships as we know them in Asia and probably around the world. A preventive war without the full support of our Asian allies would likely do lasting damage to trust in America—not just in Asia but globally. Without our alliances and partnerships, the United States role as a Pacific power would be fundamentally diminished for the long term.
- **What will China and Russia do?** China will almost certainly intervene into a destabilized North Korea, creating both military and political obstacles for the United States. It is likely that China will seek to occupy North Korea, at a minimum to prevent a complete state collapse and to secure nuclear sites. A long-term Chinese presence in North Korea—and it would almost certainly be long-term—has implications for our alliance with the Republic of Korea and our interests in Northeast Asia. And in a worse-case scenario, absent substantial strategic and tactical deconfliction in advance, a potential United States-China conflict could easily materialize. Russia, which shares a small land border with North Korea, will most certainly oppose United States intervention and continue to play spoiler alongside China.
- **What would be the opportunity costs for the U.S.?** This question never gets enough attention. War with North Korea would become the central pre-occupation of the President and his national security team for the duration of his term—crowding out all other issues and limiting strategic bandwidth for the United States to deal with challenges like Russia, China and Iran. If great power competition with China and Russia are indeed central to United States national security strategy, then war with North Korea would almost certainly distract United States resources and focus and increase China's opportunities in the region. From a basic force management perspective, hard trade-offs would need to be made with respect to forces and capabilities in other theaters.

Examining the Argument for Preventive Use of Force

There are some who argue that preventive use of force is the least bad option. They predicate this view in part on an assumption that Kim Jong-un is not a rational actor and therefore deterrence is not a reliable option for preventing a nuclear first strike against the United States. They also suggest that once North Korea achieves a full ICBM capability, Kim Jong-un will use that capability to hold the United States Homeland at risk while forcibly unifying the Korean Peninsula. While no one can credibly predict North Korean intentions and the possibility of nuclear coercion is real, there are some empirical weaknesses in this line of argument. Let me break it down:

- **First, history shows otherwise.** While reunification remains the stated objective of both North and South Korea, the credible threat of American and ROK firepower has prevented North Korea from pursuing that reunification by force since 1953. More than 28,000 United States troops remain on the Peninsula today, backed up by our extended deterrence commitment that would bring to bear the full spectrum of American power. Strengthening our deterrence credibility starts not with an overt demonstration of U.S. power in defense of our own citizens and interests, but with the credibility of our commitment to defend the citizens and interests of our allies. A preventive attack will undermine America's deterrence strategy by showing that we are willing sacrifice our allies, essentially decoupling them ourselves.
- **Second, there are the basic military realities.** There are some that have suggested that "war over there is better than war over here." But let's be honest: North Korea already has the capability to hold United States interests at risk in the Pacific—with nuclear-tipped missiles ranging Hawaii and Guam

where millions of American citizens live, not to mention the hundreds of thousands of American civilians living in both Korea and Japan. So, war over there would also potentially cost millions of American lives.

- **Third, the arguments for preventive use of force are predicated on ultimately unknowable determinations on Kim Jong-un's rationality.**

What would be the objective and how would we effectuate the desired outcome, especially if he is irrational? Much will depend on Kim Jong Un's perceptions of our intentions. So if we assume Kim Jong Un is indeed an irrational actor, why would we think that he would exercise restraint when presented with a limited U.S. military strike? This is the central flaw in argument for the "bloody nose" approach. Escalation is extremely likely and deterrence cuts both ways.

- **Finally, there are real questions about the effectiveness of preventive use of force. What would a limited strike ultimately seek to achieve?** If it is to show we are serious and force Kim Jong-un to the negotiating table, it is unlikely that he will oblige. If the objective of a strike is to take out his nuclear and ballistic missile programs, then that is not a limited military option. In my judgment, that would be a full-scale war and in that case, we would need to have high confidence that we were able to hit everything and that the nuclear, chemical and ballistic programs could not be reconstituted. In fact, in a letter to Congress last year, *the Pentagon itself estimates* that eliminating all of North Korea's nuclear capabilities would require an actual ground invasion.

What are the other options?

National security decision-making often forces us to choose the least bad option. Make no mistake that with North Korea there are no good options and all carry risk, but by far the worst is war. In my view, the least bad option is to contain, deter, pressure, and vigorously try to open a genuine diplomatic process. So where does that leave us?

- **First, there is the need to refresh our approach to diplomacy and make clear to North Korea that the door is open.** We all know that diplomacy with North Korea has a checkered past, but it must be the leading line of United States effort if for no other reason that diplomacy is the necessary predicate to all other options. And while North Korea has demonstrated little interest in meaningful diplomacy over denuclearization, we need to be clear, persistent and creative about how we approach any negotiations. There has been significant confusion over U.S. intentions in this regard. We also need to consider that at the heart of the North Korea problem is a security dilemma, not just an arms control and proliferation problem. We need to think creatively about how to address that dilemma in concert with our allies—including what assurances we would be prepared to offer in exchange for meaningful and verifiable limits on their nuclear program. Diplomacy will also likely only have a chance if it begins without preconditions and moves in stages of confidence-building. We should also be positioning ourselves to shape any negotiations to our advantage and not allow the North Koreans to seize the initiative. For this to be possible, I would encourage the

Administration to appoint an experienced high-level envoy that has the unambiguous backing of the White House to coordinate diplomacy and messaging with our allies and who would be dedicated full time to the pursuit of negotiations.

- **Second, we should consider a shift in our strategy vis-a-vis China.** While the Chinese do not share our long-term interests on the Korean Peninsula, they do worry about two things: secondary sanctions and American encirclement. On the sanction front, the Administration has only just begun to get serious with China, and the United States should pull every non-military pressure lever it has over North Korea before putting American lives on the line. Critically, China can cut off North Korea's oil supplies, but it has not yet done so. The Administration should substantially ratchet up the costs Beijing bears by continuing to supply fuel not only for the North Korean economy but to its military as well.

Further, the Chinese need to look out around the region and see the negative effect that a nuclear-armed North Korea will have on their long-term objective to impose a sphere of influence in their near periphery. We should consider what additional force posture is necessary to contain and deter a nuclear-armed North Korea and we should not hesitate to move forward with it, whether that is an additional THAAD battery on the Peninsula, support for Japanese acquisition of key capabilities, or additional United States air, naval and ground forces around the region. As the United States bolsters deterrence and containment against North Korea, United States policy must send the unmistakable signal to China that, if the threat from

North Korea remains, the United States will strengthen its military posture in Northeast Asia. We also need to work harder to improve Japan-ROK relations and further operationalize trilateral cooperation—not just to prevent North Korea from driving wedges, but also China.

- **Third, we are likely to find ourselves in a containment and deterrence scenario and we should begin conceptualizing what would be necessary in that scenario to limit risk.** This is obviously no one's preferred outcome and it certainly carries risks. But given the challenges of diplomacy with North Korea and given the overwhelming risks of war, I think we also need to be realistic. What would an active containment and upgraded deterrence strategy look like that would minimize risk, protect our long-term strategic interests and could be executed in concert with our allies? We need to be thinking hard about how to upgrade our extended deterrence commitments to our allies, how to improve conventional deterrence, as well as a much more integrated and enhanced counter-proliferation framework.

CONCLUSION

A war of choice with North Korea would be the option of highest risk and unlikely to advance United States long-term strategic interests, and in my view, would potentially mortally wound them. Given the stakes involved with the use of force, the Administration owes our military and the American public the planning and preparation that was frankly absent with Iraq in 2003. Congress can help drive more public debate on the choices before us. This hearing is an important step in the right direction and I am grateful for the opportunity to present this testimony. I look forward to your questions.

Senator INHOFE. Thank you very much.

We will have 5-minute questions, and we will have a lot more turnout as they come back in from other committees.

For a number of years, we have viewed the development and deployment of a layered ballistic-missile system as a defensive shield that is vital to our national security and that of our allies. We currently have 44 ground-based interceptors. That dropped down for a while to 33, and back to 44 now, California and Alaska, they have recently approved supplemental appropriations for adding 20 more to the total inventory.

We have other missile-defense systems, such as Aegis and THAAD [Terminal High Altitude Area Defense], to help track and destroy missiles in the terminal phase.

Senator Sullivan and several of us have kind of looked at the three phases and come to the conclusion that the boost phase would be probably the area that, if we could get that perfected, would cause them to be the most vulnerable. I think that we are kind of behind in that, and I would like to kind of explore that.

Admiral Blair, you are more closely associated with these options that we have out there. What do you think about all three phases, and then concentrating on improving the boost phase?

Admiral BLAIR. I agree completely, Senator Inhofe, that boost phase is the best point at which to shoot down missiles, because they have not had a chance to deploy all sorts of deceptive devices and different warheads and so on. As you know, that is something that has been known for a while, and we have been working on it.

North Korea is what is called a thin country, so it cannot place it is missiles so far back that it can keep them out of boost-phase interceptor range, so I think that is a very important phase.

I agree with you completely. We should be pursuing it.

Senator INHOFE. I look at people like you, who have been involved in this for a long period of time. What is the reason that

we have not jumped into the obvious phase that we could be most effective in?

Admiral BLAIR. I think I would cite three things, Senator.

Number one, we put a lot of effort into the airborne laser, which we thought would be exactly able to do that. It turns out the science was fine. The engineering was a lot harder than we thought, and eventually terminated the program.

The only other two ways to get close enough to do a boost-phase interceptor is with a ship off the coast or on Republic of Korea [ROK] territory. ROK has not until recently been willing to do the sort of cooperation that would host that. To keep a United States ship on station in North Korea 24/7/365 has been a heavier burden than the other commitments of those ships have been willing to bear.

So I think those are all things that should be revisited, and I agree with your emphasis.

Senator INHOFE. Any other comments on that from the other two witnesses?

Dr. GREEN. If I may add to Admiral Blair's comments, I agree with them. In addition to boost phase, we have one battery of THAAD in Korea. It is somewhat politically controversial. I suspect we will need more.

The Japanese are looking at Aegis Ashore. Remember, we have bases there. We should support that and perhaps more interceptors at Fort Greely, Alaska.

But the other thing I would add is that the architecture of missile defense is going to be critically important. China's opposition to the THAAD deployment, I believe, was more about preventing a Korea, United States, Japan, potentially Australia, architecture of missile defense. Frankly, that is exactly what we need to have more effective defenses.

It also is a source of leverage for us, because if China doesn't want to see our alliances become more integrated and joint through missile defense, then China is going to have to put more pressure on North Korea. In other words, the more serious we are about missile defense with our allies, the more effective we will be at defending ourselves, but also the more effective we will be diplomatically at putting pressure on Beijing to, in turn, put pressure on North Korea.

Ms. MAGSAMEN, I would agree with Dr. Green's comments. I would add one thing.

In addition to the importance of missile defense capability is the importance of actually being able to practice it alongside our allies. And so, really important is the trilateral defense cooperation that is ongoing in this regard. It certainly needs to be deepened.

Senator INHOFE. I think most of the things that have been mentioned, and certainly by you, Dr. Green, we did address in the NDAA [National Defense Authorization Act], and we are aware that we have fallen behind there.

I want to make one last comment, and this was 25 years ago, during Senate confirmation, CIA [Central Intelligence Agency] Director James Woolsey, who happens to be an Oklahoman and I have known him for quite some period of time, he said, "We have slain a large dragon." He was referring to the Soviet Union. "But

we live now in a jungle filled with a bewildering variety of poisonous snakes.” Of course, what he was talking about at that time 25 years ago, that was not quite the snake that we are talking about this morning. I think that is the most vexing of those poisonous snakes.

Now, despite the fact that Russia and China represent the greatest threats and military supremacy, we understand that the word “imminent,” which I used in my opening statement, is a word that is used describing North Korea by every witness that we have had so far appearing before this committee.

And so I would just ask the three of you, do you agree, in terms of the most imminent threat, that should be North Korea? Or do you want to stand out as the only three who do not agree with that?

Admiral BLAIR. No, I do not agree with that. I mean, it is only an imminent threat if we make it an imminent threat. We have been talking these guys up a lot more than they deserve.

As I said, this is a long-term movie, not a YouTube video or not a snapshot. A steady, sustained, powerful American policy can keep North Korea under control, where we have it and where it belongs.

So I would not turn it into more of a crisis than it is.

Senator INHOFE. I noticed you said, at the conclusion of your opening remarks—I asked them to find it so I could read it in its whole context, and it was not in your written statement—when you said you are mystified by the doom and gloom surrounding our policy on North Korea. I guess that kind of fits in with you deviating a little bit from others’ opinion.

Admiral BLAIR. Yes, sir. I think we can handle these guys, and we only talk ourselves into being at a disadvantage by our own rhetoric.

Every time the United States is firm and strong, North Korea backs down and waits for another day. It happened in, say, 1976 with the infamous tree-chopping incident. It happened in 1994 with the agreed framework, when President Bush talked about the axis of evil and then invaded Iraq. This guy’s father went to ground for several months.

What was it Grant said? My job is to make the other person worry about what I am going to do, not to worry about what he is going to do. We have the high cards.

Senator INHOFE. In spite of the fact that, at the time, the previous examples they are using where, at that time, North Korea did not have the degree of success they have had most recently, particularly on November 28th.

Admiral BLAIR. In 1994, they did have nuclear weapons. They could deliver them by many unconventional means, and the North Koreans are specialists at unconventional means.

The ICBM, as I said, if you want to test an ICBM fully, you have to be there where it lands as well as being there where it takes off. You have to take measurements and understand if all of the mechanisms for deploying the weapon work. North Korea will never be able to do that, so they are always going to have an uncertain—

Senator INHOFE. All right. Very good.

Before we continue on, we have a quorum right now, and I ask the committee to consider the nomination of John H. Gibson II to be chief management officer of the Department of Department of Defense.

Senator REED. So moved.

Senator INHOFE. Second?

Senator ROUNDS. Second.

Senator INHOFE. All in favor, say aye.

[Chorus of ayes.]

Senator INHOFE. Opposed, no.

Senator GILLIBRAND. No.

Senator INHOFE. Anyone who would like to be recorded as no, other than Senator Gillibrand?

[No response.]

Senator INHOFE. Very good. Thank you.

Senator Reed?

Senator REED. Thank you very much, Mr. Chairman. This has been an extraordinarily thoughtful presentation by the witnesses. Thank you.

A theme seems to be appearing that there is not a binary choice between war and diplomacy, that there are more compelling alternatives—containment, deterrence. I wonder, beginning, and I will go sort of reverse order in seating order, with Ms. Magsamen, if you could just comment about this notion of containment, deterrent, how we should posture ourselves? Long term, what are the keys in this approach?

Ms. MAGSAMEN. Thank you, Senator.

Yes, I agree that we are likely going to find ourselves in a scenario of containment and deterrence, and that is not necessarily the worst-case scenario in this context.

I do think, as Dr. Green mentioned, some of the ideas around improving our ability to contain North Korea, whether it is increasing intelligence-sharing, whether it is coming through with policy decisions that help us address the North Korean proliferation challenge, whether it is additional posture issues in terms of deterrence, I personally think it is important to improve conventional deterrence in the event that they have an ICBM capability, because it is going to be very valuable to our allies for us to improve conventional deterrence.

So I do think that the Department of Defense, in particular, but also others in the interagency should be marking out what a long-term containment and deterrence strategy looks like now, so that we can put ourselves in a better position when we eventually get there.

I would say that, in terms of the other options, I do think that while diplomacy is going to be challenging, and certainly we need to approach it with a great deal of skepticism, I do think it is important that the United States send a clear message that diplomacy is on the table and that the door is open, because, first of all, it is a necessary predicate for sustaining the international pressure that the administration has been good at pursuing in terms of North Korea.

So at a minimum, in terms of keeping other international allies and partners onboard for a diplomatic approach, a pressure ap-

proach, or a containment approach, diplomacy on the table is going to be essential. I think it is really important for the strategic messaging around diplomacy be clear.

It also needs to come without preconditions. I think we need to be realistic that any kind of engagement with North Korea is going to be hard, it is going to be slow, but we need to be persistent and clear about it.

Then finally, I would just say, in terms of maximizing pressure, I do think there is more room to do more. I think that the administration's strategy of maximizing pressure needs more time to play out. I think there is certainly more that we can do in terms of pressuring the Chinese, and I can talk a little bit about that.

But certainly, we need to have a comprehensive effort, whether it is diplomacy, maximizing international sanctions pressure, and also putting in place deterrence and containment pieces.

Senator REED. Dr. Green, could you give comments? Admiral Blair?

Dr. GREEN. I appreciate the question, Senator. I do think this committee, in particular, can play an important role getting us into the discussion of a strategy of containment and deterrence. I think the current binary debate we have is not working.

Setting aside for the moment whether or not a bloody nose or a preemptive war is a bluff or is a real plan, just in terms of what it is doing to us right now, it is perversely helping the North Koreans advance their strategy of decoupling us from our allies.

If we move toward a discussion with our allies of a strategy of containment and deterrence, we can get their support for that. They are not focused on it now, because we are not talking to them about it now. In part, that is, I think, because the administration still is using the possibility of preventive war for leverage. But it is preventing us from getting into the kind of discussion we need to have.

The strategy is not going to be easy, and I would like to emphasize that. I agree with Admiral Blair, deterrence will work with North Korea. They are not suicidal. No one thinks Kim Jong-un is suicidal.

But deterrence with the Soviet Union was based on a fairly simple formula. They had 127 divisions. NATO [North Atlantic Treaty Organization] had about two dozen. We needed nuclear weapons to offset that conventional advantage, and then they needed nuclear weapons to offset our advantage. There was a certain level of stability there.

In the North Korean case, their goal will be anything but stability. They will mess with us. They will threaten to transfer. They will use nuclear weapons as cover to do cyberattacks. They will use nuclear weapons as cover to do attacks like they did in 2010 against South Korean ships in the west sea. That is going to require a higher level of resources, intelligence, operations, sanctions.

And so I do agree with Admiral Blair. Deterrence will work. But I think it is important for the committee and for the American people to know, this is not going to be easy. It is going to require a higher level of risk than we have been used to. But as I said in my testimony, it is a more acceptable and prudent level of risk than resorting, for all the reasons Kelly said, to an attack.

Senator REED. Admiral Blair, if you could, just a few minutes, a minute if you could, or less.

Admiral BLAIR. Senator, to containment and deterrence, I would simply add strong economic pressure; punishment to provocations, if they commit them; and prying that regime open with information.

Senator REED. Thank you very much. Spoken like an admiral. Thank you.

Senator INHOFE. Very good.

Senator Rounds?

Senator ROUNDS. Thank you, Mr. Chairman.

Dr. Green, last October, you argued in a piece that the United States should be preparing for a sustained period of deterrence, coercive diplomacy, and rollback. You believed that neither immediate conflict nor diplomatic resolution is imminent. I think you have kind of followed up on that today.

My question is, can you describe for the committee what a strategy of sustained deterrence should look like, and what military tools should be considered to implement such a strategy, if a military tool is appropriate?

Dr. GREEN. The broad contours of that strategy are in the article you referenced in “War on the Rocks” and in my testimony, and you have heard from the other witnesses important elements of the strategy as well.

I think to add more granularity to what we are describing, we need, in my view, to be engaging in maritime interdiction operations. We know, for example, that the North Koreans are trying to get around sanctions by transferring oil from ship to ship, and we generally know where they are. We know that, in the past, North Korea has transferred capability to Syria to build a Yongbyon-type plutonium-based reactor. So we need to be stepping up pressure on Syria and Iran, by the way.

We know that North Korea is engaged in illicit activities—counterfeiting drugs, \$100 supernotes, the Chinese renminbi and the Japanese yen and the euro. We need to be stepping up law enforcement and intelligence efforts to constrain their cash there.

We, in my view, need to sustain our exercise schedule with Korea and Japan, so that we are, as United States Forces Korea put it, ready to fight tonight, and so that we demonstrate our readiness, both our willpower but also our capacity to introduce strategic assets like B-2 bombers and so forth.

That all will elicit Chinese reactions and North Korean reactions, and we need to be ready for that. We need a consensus that we can take the heat and that we are going to resource our military and our intelligence services to get the job done.

Senator ROUNDS. Thank you.

I want to lead right into that with Admiral Blair. Admiral, first of all, thank you for your service.

In your prepared remarks, you noted that the United States and the Republic of Korea have been less effective in responding to North Korean provocations below the level of a major attack, citing the sinking of the South Korean frigate the *Cheonan* and the DPRK [Democratic People’s Republic of Korea] cyberattacks as examples of this shortcoming. Recent reporting in the Wall Street

Journal noted that United States officials might be considering so-called bloody nose or limited strike options in response to North Korean nuclear ICBM tests.

I am just curious, when we talk about limited nuclear responses and so forth, or limited responses on a military basis, do you believe that these limited strikes should be considered in response to North Korean provocations that fall below the level of a major attack? I think that is one of the items that Dr. Green has alluded to. How would you assess the risk of conducting such strikes?

Admiral BLAIR. Senator, absolutely, we should not only consider retaliatory strikes for lower level provocations by North Korea, we should carry them out.

When the *Cheonan* was sunk, we should have bombed the submarine base from which the submarine came that conducted that attack.

The record, when we have responded to North Korean provocations, has been entirely positive. North Korea has backed down. They have done another provocation a few years later, but it has not escalated, and it has chill shocked the situation for a matter of months and sometimes a few years.

So yes, I believe we should. I believe that the North Koreans understand that when we retaliate for an outrageous provocation that they conducted against us, that is connected to that provocation. This is not leading into a major war, which they know they will lose. Preemptive attacks mess up that barrier to escalation.

Now, it is still a question, if we did conduct a preemptive limited attack, would North Korea escalate? I do not go with the general consensus of North Korean analysts that they necessarily would start an all-out war if we did a preemptive attack. I think it is an open question. But I think the risks are much smaller if we respond to a provocation.

Let me just add a last thing. It is quite interesting, the provocations by Kim Jong-un's father and grandfather were things like special forces attacks on the Blue House, assassinations of South Korean cabinet officers, shootings of missiles, sinkings of destroyers. Kim Jong-un's provocations have been these missile tests within North Korea and nuclear tests within North Korea. Interesting. Not things that kill or hazard South Korean civilians, which are what really inflame the passions.

So it is interesting that he has chosen these methods of provocation, which are, in fact, within his own country. It makes it more difficult to come up with an exactly proportionate response.

But he will step over the line. We should shwack him. He will understand it. It will be good.

Senator ROUNDS. Succinctly put. Thank you. Shwack him. Thank you.

Thank you, Mr. Chairman.

Senator INHOFE. Senator Shaheen?

Senator SHAHEEN. Thank you.

Thank you all for being here today.

So, Admiral Blair, why haven't we responded more robustly? Fear of the risk?

Admiral BLAIR. It is interesting. I have been involved in fairly high-level discussions of this, and the discussions generally take

the form of, “Gosh, if we respond in a firm way, he will get angry and retaliate, and this thing will escalate.”

What you have to understand is that when we are strong, North Korea backs down. It is counterintuitive, I know, because it is not the way you and I think. But we are talking about a gangster, survival regime, which is not interested in reputations and escalation theory. It is interested in surviving.

It will poke the United States as long as it won't see a response. When it sees that response, it will back down and recalibrate.

So I think it is just a lack of understanding of how North Korean despots think.

Senator SHAHEEN. It is sort of the way bullies respond.

Admiral BLAIR. Bingo.

Senator SHAHEEN. Ms. Magsamen, you authored an article in November that talked about China and Russia, and what their response might be to any escalation of conflict on the Korean Peninsula. Can you describe what you think might happen?

Ms. MAGSAMEN. Certainly. I will start with China.

I think the Chinese certainly have their own interests when it comes to long-term orientation of the peninsula, and those interests do not include a reunified Korea under a democratic South Korea. So I think we need to understand that, and they are very forthright about that in all of their public statements.

I think the Chinese are most fearful of instability on their periphery, the potential for millions of refugees flowing across. But I also think that they are very suspicious of whether or not the United States would try to take advantage of any potential collapse scenario or any additional military strikes.

So I think the Chinese would intervene, certainly. I think they would absolutely rush for the nuclear sites. I think that has serious implications for our interests.

Now, it may be that we think that is an acceptable outcome, that, okay, China, you take North Korea, and we take South Korea. But that would have huge implications for our alliances with South Korea and Japan, and I think would be contrary to our interests.

So I think the United States and China have, at multiple moments, tried to have conversations about what a long-term orientation on the peninsula looks like in the event of a state collapse in North Korea or a military action. The Chinese have been pretty resistant to have that conversation with us in the past. I think that may be changing, given the circumstances.

But certainly, the Chinese are going to intervene. They are going to have their plan in place. There are reports that they have forces already on the border. So I think we should anticipate their engagement.

Senator SHAHEEN. Russia?

Ms. MAGSAMEN, I think the Russians will continue to be the spoiler actor that they are in the Pacific. I do think that we have seen an increased tempo of Russian engagement in the Asia-Pacific in recent years, separate and distinct from the issue on North Korea. So I would anticipate the Russians could easily try to potentially also engage in some way, especially along their border region.

So it could be a military engagement. But certainly, at a political level, the Russians will make hay in the U.N. They will make hay for us, potentially, on other fronts around the world.

Senator SHAHEEN. Apropos Admiral Blair's comments about understanding power, does that speak to our moving more swiftly to put in place the sanctions that we passed last year on Russia and North Korea, to show that we are serious about any potential action?

Ms. MAGSAMEN, Absolutely. I think the bipartisan sanctions legislation on Russia should be implemented by the administration, absolutely, separate and distinct from the issue on North Korea.

Certainly, in China's regard, I think we have been holding the threat of secondary sanctions over them. I think we actually have to demonstrate our seriousness in that space.

Senator SHAHEEN. We had people testifying before this committee, I think a little over a year ago, who said that the only way they saw China taking a more active role to deter North Korea was if we did increase those secondary sanctions, particularly on their financial industry; and second, if they thought a war on the Korean Peninsula was imminent. Do you agree with that?

Ms. MAGSAMEN, I would agree with that. The two things that China fears most are secondary sanctions and encirclement by the United States.

So to Dr. Green's comments, some of the additional posture moves would also be useful.

Senator SHAHEEN. Can I ask Dr. Green and Admiral Blair if you agree with both of those statements, that we should move forward more expeditiously on implementing the Russian sanctions, and that that is the only way to get China to act?

Dr. Green?

Dr. GREEN. I personally support the Russia sanctions, quite apart from the North Korea problem, because of the threat to our democratic institutions. I do not think they undermine us in our North Korean strategy. We need Moscow to take us seriously.

I can give you concrete evidence that this is right, that financial sanctions, threats against China, get them to move. I was the senior Asia official in the NSC [National Security Council] 12, 13 years ago when we sanctioned a very small bank called Banco Delta Asia in Macao. Governor Zhou of the People's Bank of China was told ahead of time by our authorities, and the Chinese very quickly shut down North Korean bank accounts throughout their system, because of the risks to their banks, reputationally and in terms of even the prospect then of secondary sanctions.

So already, the September 21st sanctions the administration introduced have, from what we know from public figures, caused year-to-year trade between China and North Korea to drop 80 percent from January this year to January a year ago. There are estimates from the South Korean Government that about 60 percent of North Korea's currency reserves are going to go away this year.

The sanctions work, and they are most effective when they get the Chinese to police their own banks, their own companies.

The Hwasong-15 missile, as you may know, is on a nine-axle TEL, a giant chassis that the Chinese built for logging, that

showed up in a military parade for the world to see in North Korea.

So, yes, the sanctions will be effective.

Our alliances are critical, if I can quickly emphasize that point again. The Chinese assumption long term, I believe, and you can hear it clearly in speeches by Xi Jinping and other leaders, is that United States alliances in Asia will wither as Chinese economic power grows. If Beijing thinks that, there is little incentive for them to pressure North Korea now. Why not wait until they have a situation 10, 20, 30 years down the road, where they have maximum leverage on both Koreas?

If we want them to act, we have to show our alliances are strong, which means we have to do a lot of things: get an Ambassador in Seoul, get serious about a joint strategy with our allies, and so forth.

Senator SHAHEEN. Thank you. I am out of time, but just quickly, Admiral Blair, do you agree with that?

Admiral BLAIR. I have talked with many Chinese leaders about North Korea. After a few Moutais, they say, "Admiral, tell you what, we will make a deal. You give us Taiwan, we will give you North Korea."

There is no love lost within China for North Korea. There is also an agreement of interest. The United States and China could easily agree on a unified Korean Peninsula which was under South Korean rule, had no nuclear weapons, and which American forces stayed to the south, Camp Humphreys in the South, the way they now are.

That is a good deal for China. It is a good deal the United States. It is a good deal for the Republic of Korea. It is a good deal for the North Korean people.

However, China doesn't see a clear path to get there. They think that pushing the North Korean regime too hard would result in chaos, which would be bad for them for all sorts of reasons. They think the United States might take advantage of it and not stick to our side of the deal.

But recently, I have heard from Chinese officials a little more willingness to think about these things, a little more willingness to think about the end of North Korea. I think we should continue to press that kind of discussion with them.

Senator SHAHEEN. Thank you. Thank you very much, Mr. Chairman.

Senator INHOFE. Thank you.

Senator Rounds is presiding, and we recognize Senator Perdue.

Senator PERDUE. Admiral Blair, Admiral Harris before this committee on a number of occasions has said that he is getting a very small percentage of intelligence requests that he continues to make. One of the concerns that he has voiced is the potential for miscalculation on the Korean Peninsula.

Do you agree with that assessment? What should we be doing right now to make sure we have all the intel we need, ISR [Intelligence, Surveillance, Reconnaissance] and so forth, to make good, solid planning decisions for North Korea?

Admiral BLAIR. Senator, I am not going to second-guess somebody who has the job that I used to have, so you will have to press Admiral Harris on that, probably in closed session.

Senator PERDUE. I will be happy to do that. Thank you.

Dr. Green, we have talked about Russia a number of times, but Secretary Tillerson just earlier this month, actually, in a speech said that it is apparent to us that Russia is not implementing all the sanctions and there is some evidence that they may be frustrating some of the sanctions.

Reuters just last week, actually, revealed that there is transshipping. Shipping of coal going to Russia is being transshipped to places like Japan and South Korea, of all places.

What can we do to ensure that Russia is not frustrating our efforts? Then secondarily, what can we do to help bring Russia into a constructive conversation around this sanction implementation?

Dr. GREEN. It is an excellent question, Senator. For all the difficulties we are having with Moscow, I would not paint them as 100 percent against our strategy on North Korea.

For example, in my own experience working this problem in government a decade ago, the Russians take the nuclear piece of this very seriously. If we were to have instability and collapse or, somewhere down the road, a diplomatic agreement for nuclear disarmament, Russia's role would be critical. We would want to get fissile material out. Russia has experience immobilizing nuclear weapons, and so on and so forth. There is a potential role for Russia.

I also have the impression that, in the Security Council, the Russians are less obstructionist than they were. It is a slight improvement. However, as you point out, in the actual implementations of sanctions, the Russians are backfilling. The Chinese will complain officially, if you ask, that the Russians are moving in and providing cash through a variety of means to backfill for China, and they are doing it to have influence. They want strategic influence with us and our allies. I think their view—this was my experience in negotiating with the Russians in government—their view is, if they have the best relationship with Pyongyang of any of us, they will hold all the cards diplomatically. We need to disabuse them of that, and there have to be some consequences to them for the way they are helping North Korea get around sanctions, even in cases where China is implementing them and Russia is backfilling.

Senator PERDUE. Thank you.

Admiral Blair, you made a comment earlier I happen to strongly agree with, and that is that we have not seriously implemented sanctions on North Korea. They are actually the fourth most sanctioned country in the world right now, behind Russia, Syria, and Iran.

What should we do to up that ante? All three of you are talking about that as a possible deterrent, but be specific, particularly with regard to China, in terms of how we can up the pressure on North Korea relative to the sanction regime.

Admiral BLAIR. Senator, I think the other countries of the world dealing with North Korea fall under two categories, those which are shameable and, if we simply bring it to their attention that their currencies are being counterfeited, North Korean workers in

their countries are sending money back home and forming potential assassin squads within their countries, they will do something about it, they just haven't done it because it is a high priority—

Senator PERDUE. You are talking about the exported labor from North Korea?

Admiral BLAIR. I am talking about Malaysia and the thousand workers who were there. I am talking about countries in the Middle East that use imported North Korean laborers for their own purposes. Those countries, I think, if we go to the intelligence effort to identify all of that, then our Ambassador walks in, tells them, "Listen, take care of this." "Oh, okay, we will do it." Then we just follow up. So that is one category.

Then there is the other category, like China and Russia, who try to calibrate their support to North Korea to keep the survival systems alive but not enough to be accused of violating sanctions. Those are the ones that Dr. Green was talking about that we have to go in with very specific information with sanctions on those Chinese or Russian companies which are conducting this, which will prevent them from using our banking and financial system, which has been very effective in the past, or for snapping their garters in other ways that we can do quietly, and that is more effective.

Public shaming for them has some effect, but, generally, it is a badge of courage there in China and Russia to be criticized by the United States, so we have to play that pretty carefully. But that is done by smiling and then jabbing them with the stiletto.

So it is a complicated diplomatic effort. It is a very complicated intelligence effort. We just have to get organized as we have for other important things and do it and sustain it. That will have the desired effect.

As I said in my written testimony, in the mid-1990s, when the Soviet Union fell apart and their explicit subsidies to North Korea ended, the overall inputs, the external trade coming into North Korea, dropped by 50 percent, roughly. The result was mass starvation, complete collapse of the economy, and North Korea had to completely recalibrate its policies.

So they are affected by outside pressure. They stabilized their economy recently. They have managed, by both illegal means and by countries that are willing to keep them on life support, to get a fairly decent flow of what they need from the outside. We need to end that, and they will react.

Senator PERDUE. Thank you.

Thank you, Mr. Chairman.

Senator ROUNDS. [Presiding.] On behalf of the chairman, Senator Gillibrand?

Senator GILLIBRAND. Thank you.

While our President is cutting our State Department and USAID [United States Agency for International Development] budgets, and, unfortunately, too often alienating or sending mixed signals to our allies, China is actively forming relationships and seeking influence around the world at an unprecedented level.

My first question is, how has the standing, credibility, and perception of the United States changed since President Trump took office? Have these changes affected our ability to address the threat of North Korea?

Starting with Ms. Magsamen.

Ms. MAGSAMEN, I would say, essentially, in terms of the question of standing, I think the most important thing for our alliance relationships is steadiness and clarity. I think that is where, unfortunately, the administration has suffered from some strategic incoherence, in terms of what our relationships with our alliances should be. And so, in that sense, it is a messaging issue.

Again, we have already talked about the fact that we do not have an Ambassador in South Korea. That significantly hobbles our ability to engage with our allies, and it is really important that we get one immediately.

I would say, if the United States is serious about diplomacy with North Korea, as Secretary Mattis has called it, the first line of effort, if we are serious in that regard, I do think that we need some sort of senior envoy from the White House with the credibility and backing of the President who is able to engage on a full-time basis on this problem set, because, unfortunately, I think there are a lot of doubts, both on the North Korean side but also on amongst our allies about what our long-term play is and where we are actually trying to land this.

Allies like Japan may not be able to publicly say some of these things, because they are very intensely interested in staying as closely aligned with the United States as possible, but I do think that there is a significant amount of questioning going on about our ability to follow through on diplomacy and the potential for war.

So I think, first and foremost, is steadiness, strategic messaging, not taking own goals, especially giving North Korea and China options to split us from our allies. I think we have done that a couple of times over the last year, and I think that deeply wounds us and wounds our strategy.

So that would be how I would respond.

Senator GILLIBRAND. Dr. Green?

Dr. GREEN. So the administration's free and open Indo-Pacific strategy was literally taken word for word from the Japanese Foreign Ministry and elevates the importance of India and Australia. In concrete form, you can see it, because those four countries—the United States, Japan, India, and Australia—have convened a so-called Quad officials meeting to coordinate, essentially, on China. For a long time, they weren't willing to do it, because they were worried about China's reaction.

So you can see in different ways that the larger, more confident democratic maritime allies—Japan, Australia, and India—at least at the government level are moving closer to us right now.

On the other hand, in Southeast Asia, I think almost any expert you ask, and I have traveled to the region, to Southeast Asia, several times this last year, will tell you we have lost ground. We have lost ground because of our withdrawal from TPP [Trans-Pacific Partnership]. We have lost ground because our diplomats are not empowered.

The President spent 12 days in Asia, and Secretary Mattis has made more trips to Southeast Asia in his first year than any of his predecessors. But the maintenance of our relationship with the 10 members of ASEAN [Association of Southeast Asian Nations],

Thailand, Malaysia, and so forth, that is done by the State Department. It is not done by the White House. I can say that as a former White House guy. If you do not have a confirmed Assistant Secretary, if you do not have a clear strategy for your diplomats, if you do not have a trade strategy, they have nothing to work with.

You can just feel it in the region, that we have lost in that critical part of Asia. We can recover. The bigger maritime powers are with us. But we have lost ground.

Korea is the one that worries me the most, because it is the center of gravity. If China has a long-term strategy to weaken our alliances, if they can get Korea separated from us, I do not think they can, but if they think they can, it is going to weaken our leverage on North Korea. It is going to weaken our leverage on a whole range of issues.

It is about getting an Ambassador in Seoul. It is about stopping the gratuitous attacks on the Korea Free Trade Agreement. We can renegotiate it, but let's keep it steady.

Senator GILLIBRAND. Admiral Blair?

Admiral BLAIR. Basically, Senator Gillibrand, I would agree with Dr. Green.

Asians are not obsessed with tweets. They look in a very clear-eyed way at what the United States does. The actions that we have generally taken in terms of overall policy, military actions, and so on are favored by our allies and are noticed by our adversaries and others.

I would say the two areas of stepping back from multilateral trade agreements and not having this substantive working-level diplomatic presence are our two biggest weaknesses in terms of the actions, and those are noted by the Asian countries.

Senator GILLIBRAND. Thank you.

Thank you, Mr. Chairman.

Senator ROUNDS. On behalf of the chairman, Senator Sullivan?

Senator SULLIVAN. Thank you, Mr. Chairman.

Thank you to the witnesses for your testimony. I particularly want to thank Dr. Green and congratulate him on his recent book, "By More Than Providence." Anyone interested in a great treatise on American strategy in the Asia-Pacific should read it. I am still reading it. It is pretty long, but it is a great book.

I want to dig into this binary debate topic that we have been discussing. I think it has been incredibly useful. The administration is essentially—I am not sure they have called it a red line. We have had Senators here in committee hearings on this committee call it a red line. They have essentially said we are going to prevent North Korea to have the capability to have an intercontinental nuclear ballistic missile that can range the lower 48, the continental United States. As we have all heard and seen, and intel reports have been made public, a lot of people think that red line is maybe even here already or very close, within the year.

So this binary debate has started about, to make sure we do not let them cross that red line, we either need to undertake a preemptive or preventative military action, which, by the way, I believe the Congress of the United States would have to authorize. It is not the President's call to do that under our Constitution. Or there has

to be, as we have been discussing here, some kind of sustained serious containment and deterrence.

Dr. Henry Kissinger weighed in on this kind of binary choice, a fork in the road, as some senior officials have called it. He said there were rational arguments on the preemptive war part, but he had concerns about going it alone.

Then Secretary Tillerson has weighed in on the other element, particularly a sustained containment and deterrence strategy, because of the risk of proliferation, where he said that is not going to work.

So what I would like, Dr. Green, first, you have thought about this a lot, a containment and deterrence strategy would obviously have to have some continuum of the use of force to be effective. So let me give you just a couple examples and see where you would fall in a containment and deterrence strategy. I think all the panelists agree a much more robust sanctions effort should be part of that.

How about a naval blockade that was authorized by the U.N.? Assume you could get that authorization. Would that be part of something?

Dr. GREEN. Thanks, Senator. There will be a quiz on the book in the next open hearing. But first, on this binary choice, it is an important point because, for 25 years, Republican and Democratic administrations have faced repeated crises with North Korea. The North Koreans have been able to hit our bases and allies in Japan and Korea for over a decade. In other words, this is not a—

Senator SULLIVAN. With a nuclear weapon?

Dr. GREEN. Probably, probably. In other words, I think we are all saying the same thing. This is not a sort of black and white shift in the threat. This is a more significant and more dangerous level, but the threat has been mounting for some time.

The way both Democratic and Republican administrations have generally dealt with this, since George Herbert Walker Bush, is to increase pressure, not want war, and then toggle over to diplomacy and release the pressure. Every administration has done that, because war is so unthinkable.

We have to have the discipline now to not continue this cycle of toggling from war to diplomacy, but to sustain a deterrence strategy that constrains their program, that, as Admiral Blair has said, deters them from thinking they can get away with small attacks in cyberspace or on South Korean ships.

So as part of that strategy, whether you call it a naval blockade or not, I do think we need to engage in maritime interdiction operations against North Korean ships that are, for example, refueling at sea in violation of Security Council sanctions.

Senator SULLIVAN. Okay, let me ask you a couple other elements of what that deterrence and containment strategy might look like.

How about using all means to disrupt their proliferation networks, including overtly or covertly killing those involved in the networks? If there was clear and convincing evidence of a facility that helped proliferate weapons, nuclear weapons, that we would bomb that?

Again, this is not a preemptive or preventative war, but if we have a serious containment and deterrence strategy, it would have

to have some elements of force to be credible, and particularly to be able to be credible on the issue that Secretary Tillerson says is his reason for not wanting a containment and deterrence strategy, and that is proliferation.

How do you deal with containment and deterrence with a real threat of nuclear proliferation, which this country clearly has done in the past and will try to do so in the future? Shouldn't we have force as an element of that part of the strategy? For both of you.

Dr. GREEN. The answer is yes. I think we need a more aggressive interdiction strategy.

Senator SULLIVAN. Would our allies and Russia and China agree with that, if we said this is the strategy?

Dr. GREEN. If we create the conditions where there are consequences for them not to cooperate, for example, secondary sanctions, then I think they will be more cooperative. We have seen that in the past.

In terms of striking facilities, as Admiral Blair pointed out earlier—if I have this correctly, Admiral—it is going to be difficult for North Korea to distinguish between a preventive attack on a facility and the opening of a campaign to destroy the regime. So the risk, to me, would be too high.

But interdicting outside of North Korea against North Koreans proliferating but also those who are cooperating, I think it needs to be much more aggressive. It needs to be resourced with intelligence of all means and should be part of the strategy.

Senator SULLIVAN. Admiral Blair, do you have any comments? Sorry, I have gone over my time.

Admiral BLAIR. I would generally agree with the thrust of your questions, that an aggressive set of responses to proliferation activities by North Korea, including the use of deadly force and military strikes on relevant North Korean facilities, should be a part of that response.

It is hard to go through this a la carte menu in a theoretical dinner in a few years and just pick off individual items. It really depends on what is going on at the time.

But in response to a clear proliferation provocation by North Korea, strikes against relevant facilities or units in North Korea should be a part of that.

Senator SULLIVAN. Thank you.

Thank you, Mr. Chairman.

Senator ROUNDS. On behalf of the chairman, Senator Hirono?

Senator HIRONO. Thank you.

Admiral Blair, aloha. It is good to see you. I certainly remember working with you closely when you were at Pacific Command.

You have said, Admiral Blair, that North Korea is not an imminent threat. If we define "imminent threat" as sending a missile against us or any of our allies, is that a pretty good definition of "imminent threat," in a very simplified way, and that North Korea, therefore, is not an imminent threat?

Admiral BLAIR. I did notice, Senator, that this red line about the lower 48 provided cold comfort to those American citizens living in places like Hawaii and Guam and so on. So we feel these things stronger, those of us who have lived in Hawaii or who do now.

We get into fine debating points with adjectives and so on. North Korea has been a threat to American interests ever since the end of the Korean—unexpected things happen. North Korea has been a threat ever since the Korean War. They are very adept and have the penchant for using unconventional forms of aggression against this country. In that sense, they are sort of a running threat.

But to say that there is some sort of a cliff that we are approaching I think mischaracterizes it. I would agree with Dr. Green that we are seeing an increasing threat, but not something that is defined and imminent in time.

Senator HIRONO. Would you agree with that, Ms. Magsamen?

Ms. MAGSAMEN, Yes, I would agree with Admiral Blair's comments. Also, I think the word "imminent" sort of implies a sense of intent on behalf of the adversary. Again, I think if you are thinking about whether or not Kim Jong-un intends to actively first strike the United States, I think there are open questions about that. So I would agree with Admiral Blair's comments.

Senator HIRONO. That doesn't mean, just because North Korea is not an imminent threat, that we should not be doing the variety of responses and actions that all three of you have laid out in your testimony. I think this binary discussion we are having, which means do we use either military force or do we use diplomacy, I agree with all of you, I think, if this is what you are saying, that we should not confine ourselves to an either/or situation because it is all very complicated diplomatically, as well as from an intelligence standpoint, as Admiral Blair has pointed out.

At the least, shouldn't we have an Ambassador to South Korea with the necessary experience, at this point?

Ms. MAGSAMEN, Yes.

Admiral BLAIR. Yes, Senator. The line of American Ambassadors of all administrations to that country have been very distinguished, fine public servants, and they have played absolutely crucial roles at key times during crises. We need to have that strong voice there.

Senator HIRONO. It is very mystifying as to why this administration has not named someone as an Ambassador to South Korea, because North Korea remains so much on everyone's minds.

Admiral Blair, in your testimony, you recommend that the United States should respond promptly and disproportionately to North Korean provocations. So can you explain what you mean by disproportionate response to their missile tests and nuclear tests?

Admiral BLAIR. Right. In order to make a retaliation to provocation effective and terminal, you should not be in a tit for tat of they poke you and you poke them a little bit. When they poke you, you should poke them a lot more than they were poking you. So if they sink one ship, you should sink three. If they fire ten artillery shells, you should fire 50.

That is what I mean by disproportionate. We need to respond in kind with relevant military strikes, but they should be stronger than the ones that were directed against our allies.

Senator HIRONO. You made a note that Kim Jong-un's grandfather and father both did very specific things, such as sinking ships and assassinating people. What Kim Jong-un is doing, as you noted, is a little bit more difficult to define as being the kind of

provocation that should lead us toward any kind of a military disproportionate, as you would say, response.

So I think that is what makes things so complicated, because what we could unleash with even a bloody nose kind of response would need to be very much analyzed as to what the possibilities might be, but still retaining the capability to respond militarily.

I am out of time. Thank you.

Senator INHOFE. [Presiding.] Senator Cotton?

Senator COTTON. Thank you, Mr. Chairman.

Dr. Green, I want to return to the exchange you had with Senator Sullivan, speaking about the escalation ladder and where there might be a way to step off the escalation ladder, if North Korea engaged in a provocation that warranted a military strike against North Korea by the United States.

My understanding of your position is that, in part due the size of their unconventional weapons systems on the DMZ and the number of those systems that can range Seoul, that there are not a lot of easy off-ramps on the escalation ladder. Is that right?

Dr. GREEN. Thank you, Senator. I am glad you did return to the question raised by Senator Sullivan, because I think I need to add more clarity.

In a scenario where there is actionable intelligence that North Korea is going to proliferate, I think there is a legal and a strategic case for preemption against a facility, even North Korea. Or in retaliation for known proliferation, I think there is arguably a case, a harder case, but arguably a case, under international law and strategically for using military force.

I think the legal case is flimsier, and the strategic case is weaker, if you are talking about using military force to stop their program.

So the reason it is worth taking the risk to retaliate, as Admiral Blair was describing it, in my view, is because if we do not, the North Koreans will continue increasing the level of the threat. Then our options are getting worse and worse.

That is why I said earlier in my testimony, this new containment strategy will involve a higher level of risk for us, but it is to prevent us having to take even riskier choices down the road, but not for preventive war. I think that is a much harder case.

Senator COTTON. If you had to take that step, given their nuclear weapons program, given their indirect fire systems on the DMZ, it is unclear how Kim Jong-un would assess those strikes versus, say, what Ronald Reagan did in Libya in 1986, what Bill Clinton did in Iraq in 1998 that had very clear and limited objectives that Muammar Qaddafi or Saddam Hussein did not see as regime-decapitating strikes. Is that right?

Dr. GREEN. That is right. So my understanding is that, after the 2010 attacks by North Korea against South Korea, the ROK and the United States agreed on new guidelines, on new planning parameters, for counter-provocation that would involve moving up one echelon. They hit us with a battery; we hit the headquarters in the brigade.

The North Koreans backed off, because they knew it was a limited context, and it was not a preamble to invasion or regime

change. That is easier—not easy, but easier—to manage, in term of escalation.

Senator COTTON. What might be intended as a limited or retaliatory strike might be perceived as an effort to go for the jugular.

Dr. GREEN. The North Koreans know these rules of engagement, and they backed off. I think if our rules of engagement are understood, then we face less of a risk of escalation.

There are scenarios where the U.S. and our allies would have no choice but to go to that complete regime change scenario, depending on what we are managing with at the time. Right now, I do not see that warranted, in terms of the enormous risk we have described.

Senator COTTON. Okay. Admiral Blair, given that context that has prevailed in the Korean Peninsula for some time, and the motto of United States Forces Korea, “Ready to fight tonight,” we have about 250,000 American citizens on the Korean Peninsula. A lot of those are private citizens. Many of them are military personnel, but many of them are dependents, husbands and wives, and kids of those military personnel, plus our diplomatic personnel.

Would it be prudent, given the heightened tensions, to begin to consider stopping the deployment of dependents of United States Government officials and military personnel on the Korean Peninsula?

Admiral BLAIR. Stopping that right now, in view of the current level of tensions, are you asking, Senator?

Senator COTTON. Yes. So obviously, it would be a huge evacuation effort to get all of the dependents out of Korea, even if you wanted to do that today. But would it be prudent to say to servicemembers, starting in 30 days, Korea will once again be an unaccompanied tour and not an accompanied tour, so we do not continue adding to the risk that we are posing to our families and also the leverage that we might be giving to the Kim regime?

Admiral BLAIR. I would not favor that under current circumstances right now, Senator. It sort of ties in with this discussion of imminent threat that we have been having earlier in this hearing.

We have had both military members and their families there for a long time. We have a war plan, which we have confidence in. We have nuclear deterrents, which we have confidence in. We think we can handle it.

If the circumstances changed radically, then, as you know, evacuating all of our citizens is a part of our preparations to do that. But I do not think we have crossed that trigger yet.

Senator COTTON. Okay, thank you. My time has expired.

Senator INHOFE. Senator Heinrich?

Senator HEINRICH. Thank you, Mr. Chair.

There has been a relatively high amount of unanimity from all of you in terms of what sort of approach we should be taking. Is it fair to say for each of you that there is an enormous difference in relative risk, regarding escalation, between something that would be retaliation for bad North Korean behavior versus something that would be preemptive? Do you all agree on that point?

Admiral BLAIR. I strongly do. Yes, sir.

Dr. GREEN. I agree as well.

Ms. MAGSAMEN, I do as well.

Senator HEINRICH. Do you also agree that our first priority here in getting this right, especially for the long term, should be having a unified strategy with our allies in the region?

Admiral BLAIR. The worst mistake we could make is to come out of this dance without the girl who brung us. The basis of our long-term influence and strong policy in the region are our two alliances with Japan and North Korea, and we should evaluate all our actions.

Senator HEINRICH. South Korea.

Admiral BLAIR. Excuse me. Yes, sir. Brain cells, senior moments.

We should evaluate all of our actions in that light. That doesn't mean we do everything they want to do. This is a give-and-take alliance. But over the long term, we want to come out of this with stronger alliances than we went in.

Senator HEINRICH. Dr. Green?

Dr. GREEN. I agree the current South Korean Government has elements within it that are a little too hopeful about the prospects for diplomacy with North Korea. So as Admiral Blair said, we do not have to do exactly what our allies say, but we have to get it right, not only because we want to come out of this with strong alliances, but our leverage vis-a-vis North Korea or other actors like China depends, to a very large degree, on how solid they see our alliance relationships.

Ms. MAGSAMEN, I would agree that alliances are essential to a successful American strategy in the Pacific, so absolutely.

Senator HEINRICH. Would we be in a better position to create that sort of unified strategy with our allies if we had a sitting Ambassador to South Korea right now?

Dr. GREEN. We would, not only because of the necessity of clarifying signals from Washington to Seoul, but because an Ambassador in Seoul could play a critical role with our Ambassador, our very excellent Ambassador in Japan, and, of course, also China, in knitting up our allies and other players. A lot of the diplomacy happens out there, and we have a missing piece in the puzzle.

Senator HEINRICH. Obviously, one of the things we want to do is send that message of steadiness and clarity to our allies, but also to North Korea. When you see things like the recent tweet from the President about a much bigger and more powerful nuclear button, obviously, that was designed to be heard by the North Korean regime, but what does it send in regard to a message to our allies in the region? What do they think when they see that kind of action coming out of the White House?

Admiral BLAIR. Senator, I do not think things like have that big an effect on our allies. They look at what we do, at sustained, official, long-term policies. I would say they are less obsessed with tweets than others are.

Dr. GREEN. I think our allies are discounting the tweets. In one sense, that is good. In another sense, it is not good, because you want the bully pulpit to have some weight.

But in general, I do not think it is the problem. I think the problem with our alliances right now is that the talk of a bloody nose or preventive war is focusing allies that should be working with us

on pressuring North Korea on finding ways to slow us down. We want to redirect them on the real problem.

Ms. MAGSAMEN, I guess I disagree somewhat. I think that our allies are looking at the disconnect between what the White House says and what our Cabinet officials say. And so I do think that when they see a delta there, that they do have a lot of confusion about what our long-term sort of intentions are. So I guess I would disagree.

I agree that our alliances are durable, and certainly tweets are not going to make the ultimate difference. But I do think that they are having an impact in terms of how our allies perceive our policy.

Senator HEINRICH. To finish up, I want to return to the Russian issue that Senator Perdue brought up. There has been a lot of reporting about North Korea, effectively Russia's ports becoming a transshipping hub for North Korean coal. There has been a lot of reporting about oil moving into North Korea from Russia and dropping the price of fuel oil. They seem to be an enormous economic release valve.

That all comes at the same time that the Congress voted 517-to-5 to give more sanctions tools to the administration to deal with Russia, and yet we do not see a willingness to impose those sanctions.

What do you think the Russian administration thinks when they see us choose not to impose those sanctions?

Ms. MAGSAMEN, I think it sends a signal, and also, I think the Russians will exploit any possible opening for themselves. So I think as the Chinese crack down, the Russians certainly want to move in for business with North Korea, so that is something we have to watch.

But separate and distinct from the North Korea piece, absolutely, if the Russians do not see us following through on our sanctions, I think that just induces further bad Russian behavior.

Senator INHOFE. Senator Ernst?

Senator ERNST. Thank you, Mr. Chair.

Thank you to our witnesses for being here today and discussing a very important topic to all of us.

Admiral Blair, I would like to start with you, sir. Many years ago, I was very fortunate to have the opportunity to attend an agricultural exchange in Ukraine while it was still part of the Soviet Union. During that time, the other Iowa students and I lived on a collective farm for a number of weeks.

In the evening, we would come together as a community, and we thought we would be talking about agriculture, Ukrainian agriculture versus what I grew up with in Iowa. We did not talk about agriculture at all. What we talked about and the questions that were being posed to us from the Ukrainians was, what is it like to be free? What is it like to be an American? Tell us about democracy. Talk to us about your form of republic and government. Those were the things that we discussed.

In your opening statement, you note the need to strengthen the information campaign in North Korea as the government maintains control over its people and restricts their access to the outside world. So how can the United States and our regional partners

work to expand access to freedoms like news and television and technology inside of North Korea?

Admiral BLAIR. I think that is a very important point, Senator, and I think your observations are exactly correct, that the greatest long-term threat to despotic regimes is information and dissatisfaction by their citizens.

The one that we all laugh a little bit about, we all have plaques on our walls with a little balloon that North Korea uses to send propaganda over to the South, and the South, when the wind blows from the south, has, over the years, sent balloons with little transistor radios and other publications to try to spread news in North Korea and undermine the Democratic Republic of North Korea, just the way you say.

But we are in the information age in 2018 now, and I think we can do a lot more. As I mentioned, Chinese cell towers splatter into North Korea. We can use satellite broadcasts to be able to send texts that provide more information.

There is a huge counterfeit or smuggling trade that goes back and forth over North Korean borders. We can put thumb drives and disks into that. We can physically get other items in there. I think we should do that, we, the Koreans, all of our friends, and just begin to let North Koreans know what the situation is in the rest of the world and let them draw their own conclusions.

Senator ERNST. Thank you, Admiral. I do truly believe that, if we want to see dissatisfaction in North Korea, we have to push our ideals and values into that country through whatever means. We have seen other countries—we talk about Russia and its propaganda—campaign in other countries. Why isn't it that we can engage in that same type of activity with North Korea?

You are right about the illicit trade that goes on. I have heard they love American soap operas and so forth.

So anyway, if there is a way that we can engage in that, I think we should engage in that. If it saves bullets and lives, certainly, let's do it.

Another issue, Dr. Green, just in my remaining time, we have talked about this before, but the importance of trade in that region, and if you could just explain, from your point of view, do you believe that the U.S. needs to reengage with those Pacific nations, especially at a time now that we are not involved in TPP [Trans-Pacific Partnership]? What should we be doing? How can that help the overall situation?

Dr. GREEN. As you know well, Senator, the consequences of our leaving TPP are that our trading partners are signing agreements with each other, with Europe, that are freezing out our exporters, especially our exporters from agricultural States. It is costing us, and it is going to cost us more as these new trade agreements we are not in take effect.

On a geopolitical basis, the impression in the region is that the United States is abdicating leadership on what kind of rules will govern trade and investment. I was, in the Bush administration, part of the small group that contemplated whether or not we should do a free trade agreement with the Republic of Korea, which, of course, we did. One of the main reasons we decided we needed to do it was to demonstrate clearly that our fate and our

ally South Korea's fate were going to be tied together for generations by greater economic interdependence and cooperation.

The fact that we are now putting that on the chopping block, aside from the damaging effect on our agricultural exports, is that it is going to raise questions about whether we are truly committed in the long run to the Republic of Korea, and the same could be said for TPP with those states. China is filling that vacuum with Belt and Road and other things. You can debate how much is really there, but the sense of momentum right now is clearly with Beijing.

This all effects how we manage the North Korean problem, because if the Chinese think, in the long run, they will have the dominant position over the entire region, they are not going to take risks now to help us.

So it does affect the North Korea problem indirectly, but importantly.

Senator ERNST. Very good. Thank you. We need to engage.

Thank you, Mr. Chair.

Senator INHOFE. Senator Warren?

Senator WARREN. Thank you, Mr. Chairman.

Thank you all for being here today. I want to talk more about our alliances in the region.

Our allies in Asia rely on the United States nuclear umbrella for their security. We promise to treat an attack on Seoul or Tokyo as an attack on our homeland, and their belief in our extended deterrence is one reason that countries like South Korea and Japan do not seek nuclear weapons of their own and one reason there is not an arms race in the region.

By developing a long-range nuclear capability, North Korea is trying to convince our allies that the United States will not protect them, leaving them open to Kim Jong-un's bullying and intimidation.

So let me ask this, Ms. Magsamen, what actions should the administration be taking to keep North Korea from driving a wedge between the United States and its allies?

Ms. MAGSAMEN. Thank you, Senator. I think that is a very important question.

The relationship between Japan and Korea has actually been deteriorating recently, and I think one the most important things that—

Senator WARREN. It has never been easy.

Ms. MAGSAMEN. It has never been easy, a long history, but it really requires American leadership and effort with both of our allies to bring them closer together. So I think one the most important things the U.S. can do is try to improve that political relationship between the two countries. Frankly, that is going to require presidential-level leadership, in addition to agencies and departments engaging those two powers.

So I think that is sort of one piece of it. The other piece you alluded to was the extended deterrence commitment. I think there we can certainly do some more strengthening. We have an extended deterrence dialogue with those countries, and I think, certainly, we should look at deepening those and potentially having them more regularly and throughout the year.

Finally is trilateral cooperation. I think demonstrating to North Korea and, by extension, to the Chinese, frankly, that the North Korea problem is driving us closer to each other operationally in the Pacific I think is essential in that space.

Senator WARREN. Actually, let me drill down just a little bit more on that. As you rightly say, it is no secret that South Korea and Japan have a very complicated history, dating back for many years, and that the United States has traditionally played a role in trying to keep the three of us together in the region. Can you just say a word more about what you think the United States should be doing in order to preserve that three-part relationship, particularly focusing on the part between South Korea and Japan, if you could?

Ms. MAGSAMEN. Sure, I think it is going to require actual just getting them in a room together on a consistent basis at a high level, and that is going to require some sort of presidential engagement.

In the Obama administration, we had a series of trilateral summits. Of course, that was a different South Korean Government at the time, but I think that kind of almost retail politics engagement at a senior level is going to be essential in terms of improving the relationship, finding ways to put out ideas for confidence-building measures, active diplomacy.

Again, it would be great to have an Ambassador in South Korea in place to work with his counterpart in Tokyo, as Dr. Green alluded to. So even just day-to-day engagement in both capitals by our Ambassadors would be essential.

Senator WARREN. Thank you. I think that is very important. I want to loop back to the point I had started with, though, here.

During the Cold War, we succeeded in convincing the Soviet Union that our extended nuclear deterrence was credible, that we, the United States, would defend NATO, if attacked. It is the same principle that applies here. Our network of partners in the region is one of our unique strengths, but it is only our strength if it is credible and if they believe it.

So I think everything we do to reinforce that is critically important, and I think Kim Jong-un knows that. I think the Chinese know that, and everything they can do to try to undermine that helps their interests and hurts ours.

So I appreciate your thoughts on this, and I just want to underline how important I think it is going forward. Thank you.

Thank you, Mr. Chairman.

Senator INHOFE. Senator Peters?

Senator PETERS. Thank you, Mr. Chairman.

Thank you to our witnesses today. It is a fascinating discussion.

I want to get back to the bloody nose strategy. We have had quite an extensive conversation about that already with the panel.

But, Ms. Magsamen, I would like to just ask you about Kim Jong-un's response. You mentioned in your testimony that it is a big gamble to count on his rationality. But I also want to think a little bit about what is the political situation that he faces.

We think what might be a limited strike, however that is defined, if he does not react, what is his political situation? Are there hardliners within that government, that if he does not act could very well be decapitating, even though we may not think so?

Could you talk a little bit about what is going on behind the scenes, as much as we know, as difficult as that is?

Ms. MAGSAMEN, I would say one thing on the bloody nose approach, the preventive use of force, to sort of take a limited strike with the objective of compelling Kim Jong-un to the negotiating table, I think there are significant weaknesses.

On the one hand, the rationality behind it, the administration has been talking about how Kim Jong-un is irrational, but then sort of expecting him to have a rational response to that kind of limited strike. I think that is the essential flaw in the argument for a bloody nose.

I do think that deterrence cuts both ways, so I do think Kim Jong-un will look to move quickly to reestablish his own deterrence vis-a-vis the United States.

I also think, to your question, that Kim Jong-un's core interest is his own personal survival and the survival of his family. So I think he is going to act according to that interest, regardless of the scenario.

So I think the potential for escalation is significant in the case of a bloody nose, a limited strike.

I personally do not believe that there is a limited strike. I do not believe that would be effective in the objective of getting him to the table. It certainly would not be effective in taking apart the nuclear, ballistic, and chemical weapons programs.

Senator PETERS. Part of it, to be effective, if it is effective, is you have to have the belief that this is not a full-on attack from the United States that would jeopardize his position, as you mentioned.

But, Admiral Blair, I would like to have you address this a little bit, think it through. It is clear, the United States, I would think, if we are thinking of a bloody nose attack, that we have to be prepared for the horrible repercussions that could potentially happen. Therefore, you have to be prepared militarily. You have to have the force that, if they do come across the line after that bloody nose attack, we can win swiftly, as you mentioned in your testimony, and crush them. But that would mean the deployment of additional troops before the bloody nose.

As a former logistics officer in the U.S. Navy Reserve, I know that you have to move to pre-position supplies there. There are a lot of things that could be viewed pretty provocatively before you actually get to the bloody nose, as you are preparing for what would be a much larger conflict, should it occur. It may be difficult to communicate that to the North Korean military, that we are not going to go in really big, because we have been preparing for that.

If you could talk a little bit about how we would need to have some logistics preparation before this, and that could be provocative? Or are there ways that it would not be, if you could discuss that, please?

Admiral BLAIR. Yes, sir, Senator. That is why I am a strong advocate of strong retaliation against their provocations, accompanied by all those initial logistics, communications, preparatory measures that you mentioned, which you have to do in order to get ready for serious conflict on the peninsula.

In the context of conducting a limited retaliatory strike, those sorts of preparations are interpreted and have been in the past by

North Korea as meaning that the United States is serious about responding to general conflict, if they had to, and they have generally backed down at that point.

If you take those same measures in the context of a preemptive strike tied not to a particular outrage by Korea or without a specific goal that is tied to those goals, then I think you run a much higher risk of North Korea calculating that this is going to be a big war, so we better get in the first shot, and all of the actions that they would take. All the advantages they are given by geography, of having Seoul so close to the line, come in to play.

So that is why I really strongly believe that the risks of retaliation for North Korean provocation are a great deal less than some sort of a preemptive attack that is not tied to a specific objective.

If we could disarm North Korea with a military strike—that is, destroy all of their nuclear capability and all of their missile capability—I would be a strong advocate of it. But with the geography of that country, with the great number of tunnels they have been able to get, with the record that the United States has had so far of knowing exactly where all of the components of these programs are, I think that is a very, very high-risk situation. It would require an enormous strike, which would be on the order of what you would do in a general war. I think there would be quite a high risk that it would not get all the components, and you would get the worst of both worlds.

Senator PETERS. Thank you.

Senator INHOFE. Senator Blumenthal?

Senator BLUMENTHAL. Thank you. Thanks, Mr. Chairman.

I want to focus on an area that has not yet been covered, I think. By the way, I think this panel has been absolutely magnificent, very insightful, and, in a way, reassuring, because you are more optimistic than I think generally I have heard experts be about the potential effectiveness of sanctions and diplomacy, which it tends to be downgraded, and is especially important in this forum, the Armed Services Committee.

But one of the areas that I think deserves attention is cyber. You know better than I that North Korea's cyberattacks are a major source of revenue. In fact, the most reliable estimate I have heard is about \$1 billion per year, which is a staggering figure, equivalent to about a third of the country's total exports. North Korea's attacks around the world produce this stream of revenue.

One example that has come to light publicly is the Lazarus Group, a North Korean-linked cyber ring, stole \$81 million from a Bangladesh central bank account at the New York Federal Reserve, which would have been \$1 billion except for a spelling error.

This is totally unclassified. It has been reported publicly. But it is just the tip of the iceberg.

The North Koreans also have been tied to the WannaCry attack earlier this year that impacted over 200,000 victims in 150 countries, as well as the Sony attack in 2014. They were linked last month to a \$60 million theft from a Taiwanese bank.

So the world community ought to be unified in responding and retaliating, or deterring and punishing, this kind of state-sponsored cyberattack on the United States and countries and banks around the world.

So my question to you is, what should be done? There is a bipartisan letter that has been joined by many of us, that I helped to lead, to U.N. Ambassador Nikki Haley, urging her to work with members of the U.N. Security Council to pass a resolution more aggressively deterring and punishing these kinds of attacks. We sent it on November 1 of last year, and, of course, that is just an overture with no real immediate practical impact.

What do you think ought to be done by the State Department or by the United States Government, in general?

That is for all of you. Perhaps, Admiral, you can begin, and then we will go down the line. Thank you.

Admiral BLAIR. All right, Senator, I will just start quickly.

Yes, I think we should take active cyber measures to destroy as much of the capability of the North Korean hacking operation that you just described as we can.

When you get below that general statement into specifics of American capability to do so, we would have to go into closed session to talk about that, and my knowledge, frankly, is somewhat out of date. But I believe that should be a part of the punishment of North Korea for the actions that they have taken, in addition to the other things that we have talked about that can be done with more traditional financial sanctions and punishments and corresponding sanctions. So I believe that should be a part of it.

Dr. GREEN. I would agree. I think it is important for two additional reasons.

First, we need to punish, deter North Korea, for escalating the cyber domain, so that they do not escalate in other domains, for example, atmospheric tests of nuclear weapons and so forth.

So for our broader deterrence of a North Korea that might think it can put us on our back foot in various domains, in this domain, we have to be ferocious.

Secondly, North Korea's cyber activities are one piece of the larger network of criminal associations they have with the triad, the Green Gang, the Real IRA [Irish Republican Army], a whole host of the worst actors in international crime.

That is not just a law-enforcement issue. That is a problem because that is also how they are getting technology for the weapons and, in the worst-case scenario, how they might try to transfer out of North Korea fissile material or weapons to retaliate against us.

Ms. MAGSAMEN, Senator, I would agree. I would also say that the Department of Defense does have cyber dialogues with Korea and Japan, and I think it would be useful for DOD to potentially consider trilateral options in that space, because I do agree with the other panelists that cyber would be an area that the North Koreans would look to try to find some sort of asymmetric advantage, especially in the middle of conflict. So I think that certainly should be added to the trilateral cooperation space.

Senator BLUMENTHAL. Thank you all.

Thanks, Mr. Chairman.

Senator INHOFE. Senator King?

Senator KING. Thank you, Mr. Chairman. I apologize for the drama associated with my exit. I wish I could blame Kim Jong-un for that, but I think it was Elizabeth Warren actually that tripped me.

[Laughter.]

Senator KING. No, it was me.

I was in this region about a year ago and talked to a lot of our national security people both in Japan and in Korea. I asked them three questions.

Number one, is Kim Jong-un rational? The uniform response was yes, that he is not crazy and he is capable of rational analysis. Therefore, that leads to a possibility of a deterrence strategy being successful.

The second thing I asked was, what does he want? Why is he doing this? The answer was regime survival, I think you have all testified to that, and his personal survival.

Where does nuclear capacity fit in? The answer was, this is his insurance policy. This is what he is developing as an insurance policy.

So if I am trying to put myself in his shoes, which I think is what we all ought to try to do, you look around the world and you say, okay, who has denuclearized? Saddam, dead. Qaddafi, dead. Ukraine, invaded. What about nuclear agreements with the U.S.? Well, there was one in 2015, but now, three years later, it appears to be on the verge of being abrogated.

Ms. Magsamen, if you were in his shoes, wouldn't those be part of what you would be considering, in terms of bringing him to the table to denuclearize?

Ms. MAGSAMEN, Certainly, Senator. I think in terms of whether or not he is irrational or rational, I think, ultimately, nobody really knows for sure. But at the same time, he has demonstrated a level of rationality over the years.

I do think that he is aggressively pursuing the capability as a deterrent to the United States attacking him. I think he does look around and sees the Qaddafi scenario and Saddam, and thinks, "This is my best insurance policy and deterrent against a potential preventive attack by the United States." I think that is true.

In terms of how he is looking at us, at the end of the day, in addition to North Korea being an arms-control problem, it is also a security dilemma, in terms of how he is approaching the issue.

So I think if we are thinking about diplomatic options, for example, I do think we have to take into account the fact that at the core of this is also a security dilemma for Kim Jong-un.

Senator KING. You go back to the Cuban Missile Crisis, which there is no exact analogy, but there are some similarities, and one of the pieces of the solution was a commitment not to invade Cuba. I do not know about you, but I do not have much interest in invading North Korea. Of course, we do not have Jupiter missiles to give away, but there may be something else.

But, Admiral Blair, is there an outline of a deal here? Or do you think that, under any circumstances, he is not going to give up these weapons?

Admiral BLAIR. I think that he has, right now, worked out a strategy, an approach, it is not a strategy, of this nuclear missile development within his own country, which, as I said earlier, is not as provocative in terms of public outrage in the Republic of Korea and the United States as the old sorts of provocations of sinking ships, special forces assassinations, and so on. It builds a nuclear

capability, which he can use for two purposes. One, he can, as predecessors have done, use pieces of it to get concessions in other areas, political and economic. Two, ultimately, as you pointed out, it can be his ace in the hole.

I am not sure whether he is a Herman Kahn-trained economist. I think he is more of a bully, who thinks, “This is the biggest goddamn knife I can have, a nuclear weapon. I am going to have one. That is good for me, because I am surrounded.”

So I think we can sort of overthink it in that way. But yes, he wants to have a nuclear weapon because he feels that will help him deal with his enemies.

Senator KING. Let me turn the discussion a bit, because this has been a very important hearing, because until today, the only discussion has been, in effect, bomb or don’t bomb. I mean, it has been very straightforward about military force. Yes, we are going to talk about diplomacy. Now we are talking about containment and deterrence.

The flaw in deterrence, it seems to me, in this particular situation, is the proliferation danger, and can we develop deterrence 2.0 in this situation that would deal with proliferation? Because if these weapons fell into the hands of ISIS [Islamic State of Iraq and Syria] or someone who you couldn’t deter because they are not a state actor, that would raise the level of threat exponentially.

Dr. GREEN. I think that is exactly right, Senator. The deterrence 2.0, or whatever we call it, is more than the deterrence we saw with the Soviet Union, because the regime does not want these weapons to be left alone. That is part of it. They want these weapons to coerce us, the South Koreans, the Japanese, to get concessions and to—

Senator KING. Part of the coercion could be threatening proliferation.

Dr. GREEN. I am convinced part of it will be. I was in negotiations with the North Koreans in Beijing in 2003 when, on instructions from Pyongyang, their delegate said to us, “If you do not end your hostile policy”—and by that, they meant sanctions, our nuclear umbrella over Japan and Korea, our forward bases. “If you do not end it, we will transfer our ‘deterrent’ to a third country.” That was 2003. In 2007, we caught them, the Israelis caught them, helping to build a nuclear power plant in Syria and bombed it.

I am absolutely convinced that North Korea will seek to gain coercive leverage through cyber, through the threat of transfer. They will stay below the red line. They know transferring fissile material could be the death of the regime. They will push it.

That is why we have to have a very active deterrence 2.0, as you put it, where we are interdicting, where we are putting pressure on potential recipients of technology, where we are interdicting at sea, and where we are retaliating quickly and promptly whether it is in cyberspace or other domains to impose a cost and to make it much more difficult for them to proliferate in or out.

That is where we are heading. It is not easy. It is going to take resources. It is where, in my view, the administration should be focusing our discussion with allies.

I hope we get to that point and beyond, as you said, this sort of binary debate, diplomacy or war, which is not really getting us traction on the problem.

Senator KING. I am out of time, but you have mentioned one of the problems we have, and we have talked about this numerous times in this committee, we do not have a deterrence strategy with regard to cyber. We do not even have a definition of what a cyberattack is, what an act of war is, what should be responded to in what proportion.

For that reason, we are a cheap date in cyber. There are no results from coming after us, as we have learned in the last several weeks. This is sort of a big parenthetical, but that is another area of U.S. foreign policy strategic strategy that we really have to get after.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator King.

First of all, when we have hearings like this, we always have experts, and experts, quite frankly, know more than we do. It is healthy now and then to disagree, which we had some disagreement.

I appreciate your straightforward responses and the time that you have given to this committee. Because of our competing committees this morning, we are not going to have a second round.

We are adjourned.

[Whereupon, at 12:03 p.m., the committee adjourned.]

