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Possible U.S. Policy Approaches to North Korea

Since assuming office, the Trump Administration has raised the North Korea threat to a top-level foreign policy priority in response to the regime's demonstrations of rapid military advances. Officially called the Democratic People's Republic of Korea (DPRK), North Korea has rebuffed U.S. and South Korean offers to negotiate on denuclearization since 2009 and has continued to develop its nuclear and ballistic missile programs. In 2017, North Korea conducted its sixth and most powerful nuclear weapons test, and carried out two tests of long-range ballistic missiles that some observers believe have intercontinental range. All of these tests violate United Nations Security Council (UNSC) resolutions.

North Korea is on track to develop and deploy the capability to attack the U.S. homeland with nuclear-armed intercontinental ballistic missiles (ICBMs). U.S. intelligence estimates note that North Korea already likely has the capability to mount nuclear warheads on medium-range ballistic missiles that can reach Japan and Guam, both of which have major U.S. military installations. Official statements by the Kim Jong-un government suggest it is striving to build a credible regional nuclear warfighting capability that could evade regional missile defenses. (See CRS In Focus IF10472, *North Korea's Nuclear and Ballistic Missile Programs*.)

The Trump Administration's North Korea Policy

The Trump Administration conducted a North Korea policy review in early 2017. According to a five-paragraph, April 26, 2017, statement, the Administration will seek to "pressure North Korea into dismantling its nuclear, ballistic missile, and proliferation programs by tightening economic sanctions and pursuing diplomatic measures with our Allies and regional partners." The statement also says that the Administration hopes pressure will "convince the [DPRK] regime to de-escalate and return to the path of dialogue." Administration officials have said they seek to apply "maximum pressure" on the regime to achieve these goals. Secretary of State Rex Tillerson has said that the Administration is seeking neither a change in nor a collapse of the Kim regime.

Some U.S. and South Korean commentators have characterized Administration officials' remarks on North Korea as contradictory, perhaps deliberately so, particularly on the questions of under what conditions the United States would negotiate with North Korea and whether the United States is prepared to launch a preventive attack against North Korea. In repeated public remarks, Trump Administration officials, including the President, have emphasized a possible preventive military attack against North Korea. At other times, President Trump and other Administration officials have said they would be open to

dialogue. President Trump has alternated between praising China for its efforts to encourage North Korea to change its behavior and threatening China with diplomatic and economic measures if Beijing does not apply more pressure.

In addition, Cabinet Members often have issued statements that many observers contend contradict the President or one another. In September 2017, President Trump tweeted criticisms of South Korea's attempts to initiate low-level dialogue with North Korea, calling the efforts "appeasement." However, the following day, the National Security Council reportedly said in an official letter to South Korean counterparts that there was no gap in the two allies' approaches. (See CRS Report R41481, *U.S.-South Korea Relations*.) Taken together, for many observers the apparently contradictory statements have created uncertainty about which Administration statements are authoritative.

Despite the lack of clarity, key components of the Administration's approach appear to be:

- raising the priority level of the North Korea threat;
- increasing public displays of U.S. military might and public threats to use military force;
- pushing China, which accounts for over 90% of North Korea's trade, to fully implement UNSC sanctions and take other steps to pressure North Korea;
- pushing for the UNSC to adopt new, increasingly tough international sanctions against North Korea and expanding the use of U.S. sanctions, including "secondary sanctions" that target foreign entities that facilitate trade with North Korea; and
- expanding efforts to convince other countries to curtail or shut down their interactions with the DPRK.

The Administration has cast its approach as a departure from the Obama Administration's policy, known as "strategic patience." However, many of the elements remain: expanding U.S. and international sanctions, emphasizing China's ability to pressure North Korea, and coordinating policy with U.S. allies.

U.S. Policy Options

The United States faces a range of North Korea policy options, many of which may not be mutually exclusive. One set of approaches involves **increasing diplomatic engagement**, such as by resuming the Six-Party Talks among China, Japan, North Korea, Russia, South Korea, and the United States, which were last held in 2008. The Administration's April 26 statement provides that it is "open" to talks that lead to denuclearization, but did not outline preconditions. Since April, some Administration officials' remarks on North Korea policy have not mentioned negotiations, while others have. A number of

experts, as well as China's government, have proposed that negotiations should begin with the more limited goal of a freeze on North Korean nuclear and missile tests, in return for U.S. concessions, such as halting military exercises with South Korea. The United States has refused to return to negotiations based on North Korea's insistence that talks should go forward without preconditions, that it should be recognized as a nuclear-weapons state, and that the United States take steps such as reducing its military presence on the peninsula. Short of the resumption of negotiations, the six parties may pursue the establishment of crisis hotlines between the United States and North Korea in the event of a military confrontation.

In the past, the United States has dismissed the option of **launching military strikes** on North Korea due largely to the threat of a potentially devastating DPRK counterattack on South Korea or Japan, and the possibility of creating a humanitarian crisis on the peninsula. However, North Korea's advances in missile and nuclear capabilities in 2017, which may increase the vulnerability of the U.S. homeland to a North Korean attack, have led some policymakers and analysts to suggest that the United States should launch a preventive strike against the DPRK. Most experts warn that any military attack could lead to a widespread outbreak of war, with uncertain factors such as China's involvement and the control of North Korea's nuclear arsenal. Analysts expect that the DPRK would attack the Seoul area (with a population of over 20 million) with conventional artillery situated along the inter-Korean border, likely leading to thousands of civilian casualties. Members of Congress might consider proactively adopting measures supporting or opposing a U.S. military attack.

Some **offensive military options** fall short of direct intervention. The Obama Administration, according to some media reports, used cyber techniques to sabotage North Korea's missile tests. Upgrading U.S. intelligence resources dedicated to North Korea could clarify the state's capabilities and weaknesses, including possible internal power struggles. Congress might also consider increasing the flow of anti-regime information into the country to spread awareness among North Korean citizens of the regime's abuses. Some analysts have urged Congress to consider the use of approaches that could destabilize the regime, while others have counseled against such approaches, in part because the United States may be unprepared or unwilling to engage in reconstruction efforts in the event of a collapse of the DPRK government.

Another set of approaches involves the **expansion of international sanctions** to choke off the Kim regime's sources of hard currency and to weaken the North Korean economy. Although many sanctions are in place, more countries could follow Japan's approach in banning virtually all trade. Washington and its allies at the United Nations could press for eliminating exemptions in existing UNSC sanctions that would further reduce trade. Other measures to strengthen and/or expand international sanctions could include adding new industrial sectors to the sanctions, targeting North Korea's official labor export

programs, and/or pushing or helping countries to fully implement existing sanctions.

Congress could press the Trump Administration to **enforce or expand U.S. sanctions**, such as those in the North Korea Sanctions and Policy Enforcement Act (P.L. 114-122), that call for imposing secondary sanctions. This tactic could affect firms and international banks, mostly in China, that have financial dealings with Pyongyang. In the summer of 2017, Congress and President Trump took a step in this direction with the passage and signing into law of H.R. 3364/P.L. 115-44, the Countering America's Adversaries Through Sanctions Act. Other acts to increase penalties against North Korea and those that interact with North Korea have been introduced. In 2016, the U.S. Treasury Secretary determined that North Korea is a jurisdiction of money laundering concern (recommended by P.L. 114-122); this determination could be replicated in other countries that engage in banking with North Korean entities. The President could designate DPRK entities for suspected involvement in cyber security threats. The United States could also seek to shut down other countries' bilateral programs with North Korea, such as those that import North Korean labor, which generate funds for the DPRK. (See CRS Report R41438, *North Korea: Legislative Basis for U.S. Economic Sanctions*.)

The United States could **enhance military cooperation with allies** to further strengthen U.S. alliance commitments. This could include increasing military exercises with South Korea and Japan that feature advanced weaponry. An overt improvement in ballistic missile defense cooperation among Japan, South Korea, and the United States could also send a signal to the Kim regime. The U.S.-South Korean decision to deploy the U.S. Terminal High Altitude Area Defense (THAAD) missile defense system could facilitate a more integrated regional ballistic missile system among U.S. allies, though South Korea's left-of-center parties, which currently rule the country, historically have resisted many forms of defense cooperation with Japan. In September 2017, the United States approved South Korea's request to lift restrictions on its missile payload capabilities.

Congress could **commit additional resources** to support interdictions of North Korean shipments of arms or other illicit goods that provide hard currency to the regime. Similarly, additional support for law-enforcement measures that target North Korean counterfeiting, money laundering, or narcotics trafficking may further increase pressure. Congress could urge or mandate that the United States push for cooperation with foreign governments and private companies, especially in China, on preventing transfers to North Korea through transshipment networks of controlled goods that contribute to missile and nuclear program advancements.

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