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Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

SITUATION ON THE KOREAN PENINSULA AND U.S. STRATEGY IN THE
INDO-PACIFIC REGION

Tuesday, January 30, 2018

Washington, D.C.

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SITUATION ON THE KOREAN PENINSULA AND U.S. STRATEGY IN
THE INDO-PACIFIC REGION

Tuesday, January 30, 2018

U.S. Senate
Committee on Armed Services
Washington, D.C.

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

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

1 OPENING STATEMENT OF HON. JAMES INHOFE, U.S. SENATOR
2 FROM OKLAHOMA

3 Senator Inhofe: Our meeting will come to order.

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

10 Our Armed Service Committee meets this morning to
11 receive testimony on the situation on the Korean Peninsula
12 and the U.S. strategy in the Indo-Pacific region.

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

22 Last week, we had the honor of having Secretaries
23 Kissinger and Shultz here to discuss global challenges, and
24 they both agreed that North Korea is our most imminent --
25 they always use "imminent threat." Every witness that we

1 have had so far has talked about that. The others can be
2 different threats, China or problems with Russia. But when
3 they talk about imminent threat, that is what they talk
4 about.

5 General John Hyten, U.S. Strategic Command Commander,
6 said last September that he views North Korea's ability to
7 deliver a nuclear weapon on an ICBM as a matter of when, not
8 if.

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

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

22 We look forward to our witnesses' assessments of the
23 current state of play on the peninsula and U.S. offensive
24 and defensive measures, including missile defense programs.

25 In particular, we look forward to our witnesses'

1 recommendations for how the United States can pursue an
2 effective, long-term deterrence strategy for North Korea.

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

6 Senator Reed?

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1 STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE
2 ISLAND

3 Senator Reed: Thank you very much, Mr. Chairman, and
4 let me join you in welcoming the witnesses.

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

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

19 Our State Department is lacking critical personnel, and
20 we still do not have an Ambassador to South Korea. The
21 mixed messaging coming from the administration is
22 undermining what should be one consistent message to North
23 Korea, that the United States will continue to exert maximum
24 pressure diplomatically and economically until North Korea
25 comes to the table and agrees to a negotiated solution, and

1 that the United States will only use military force as a
2 last resort. And finally, our coordination with our allies
3 and partners lacks the robustness and unity that I would
4 have hoped for, given the importance of this crisis.

5 I am also concerned that there is a lot of cavalier
6 talk about war and limited strikes with North Korea. There
7 is widespread agreement that a war with North Korea is not
8 in our long-term interests. A war with North Korea will
9 result in a tremendous loss of life, the likes of which we
10 have not seen since World War II, and subsequent
11 stabilization efforts will take years, possibly decades. It
12 will cost the United States taxpayers billions of dollars,
13 much more than either Iraq or Afghanistan. It will
14 monopolize our military, diplomatic, and financial
15 resources, and leave us with limited options to position
16 ourselves globally and take on other adversaries, including
17 the long-term threats from Russia and China, or address
18 other crises. We will be in a worse position than we are
19 right now.

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

1 war with North Korea.

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

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

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

11 Thank you, Mr. Chairman.

12 Senator Inhofe: Thank you, Senator Reed.

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

18 Admiral Blair?

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

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

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

11 Misconception one: Nuclear deterrence does not work
12 for North Korea. In fact, American nuclear deterrence has
13 been effective since North Korea became a nuclear power in
14 1991, 1992. None of the three generations of Kim dictators
15 has used nuclear weapons during those 26 years for fear of
16 American retaliation.

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

22 Misconception two: Sanctions have not worked against
23 North Korea. In fact, serious and strict sanctions have
24 never been tried against North Korea. The formal sanctions
25 by the U.N. have been less strict than those against either

1 Syria or Iran, and even those have been inadequately
2 enforced. With a sustained and comprehensive intelligence
3 and diplomatic effort, real pain can be inflicted on North
4 Korea. And in the past, when it has suffered real economic
5 pain, it has loosened its repressive grip.

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

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

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

23 Misconception five: American policy toward North Korea
24 has failed. Look at that satellite picture again. Which of
25 those two countries is an ally of the United States? Yes,

1 the dark country to the north has nuclear weapons, but its
2 quest to develop them has played a role in impoverishing and
3 isolating it. The bright country to the south could have
4 developed nuclear weapons, but with our active
5 encouragement, it has chosen to rely on the American nuclear
6 guarantee. That guarantee, as I pointed out, has been
7 effective for over a quarter of a century.

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

25 We can and we should respond to North Korean

1 provocations, however, from special forces attacks, to
2 missile attacks, to reckless nuclear tests, with powerful
3 military strikes of our own, in conjunction with the
4 Republic of Korea. We can do so with little risk of North
5 Korean escalation.

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

13 Finally, we can pursue vigorous programs to open up
14 North Korea with information. The objective is for its
15 people, and especially those powerful organizations that now
16 support the Kim dynasty -- the army, the police, the
17 intelligence services, the media, the propaganda
18 organization -- to open those organizations up to realize
19 that they can do much better without the Kims.

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

24 Thank you. I look forward to your questions.

25 [The prepared statement of Admiral Blair follows:]

1 Senator Inhofe: Thank you, Admiral.

2 Dr. Green?

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

4 Dr. Green: Thank you, Senator Inhofe, Senator Reed,
5 and members of the committee.

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

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

23 The Hwasong-15 missile tested last year is a road-
24 mobile, solid-fueled intercontinental ballistic missile that
25 ranges the United States and would be extremely difficult to

1 find and destroy in a crisis scenario with Pyongyang, and
2 the North is probably months away from being able to develop
3 and deploy a warhead that could survive reentry into the
4 atmosphere.

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

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

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

22 And third, this new dynamic could create a situation
23 where our allies, Japan or South Korea, may question the
24 viability of our nuclear umbrella.

25 I do not think diplomacy is going to solve this problem

1 for us in any meaningful way in the foreseeable future. I
2 do believe, as Admiral Blair said, there is a role for
3 dialogue with North Korea in terms of clarifying positions,
4 gathering intelligence. But I could not tell you a
5 realistic formula under which North Korea abandons its
6 nuclear weapons programs in the foreseeable future, even
7 with significantly increased pressure.

8 The administration probably knows this, which is why we
9 hear talk of preventive war or now a bloody nose strategy
10 designed to force Pyongyang to back down. But I do not
11 believe that preventative military action is going to solve
12 this problem for us either.

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

18 Escalation to nuclear, biological, or chemical weapons
19 by the North would mean a conflict that goes from tens of
20 thousands killed to millions. Put another way, the
21 preventative use of military force is likely to make the
22 dangers associated with North Korea's nuclear and ballistic
23 missile programs worse, increasing tensions with our allies,
24 the danger of North Korean transfer to third parties, and
25 the prospect that Japan or Korea might consider their own

1 nuclear weapons if they were hit in retaliation after a U.S.
2 strike.

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

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

13 Now, the elements of this strategy are worth debating
14 now. We need to enhance and expand the robust financial
15 sanctions introduced in September, the most sweeping we have
16 ever imposed on North Korea, including the application,
17 where appropriate, to third countries and firms and entities
18 in China and Russia that are enabling North Korea in
19 violation of Security Council sanctions. We need to engage
20 in maritime interdiction operations against ships we are
21 already tracking to stop inward and outward proliferation.
22 We need to increase bilateral and regional missile defense
23 cooperation with our allies. We need to reboot our
24 relationship with Seoul. The U.S.-Korea alliance, in my
25 view, is the center of gravity in this entire problem. We

1 need an Ambassador in Seoul. And we need to avoid
2 gratuitous trade friction with our allies at a time when our
3 enemies and our adversaries are trying to decouple us from
4 South Korea.

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

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

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

22 And for all of this, we are going to have to increase
23 intelligence support.

24 This approach involves an increased level of risk for
25 the United States. It is not the approach we have had in

1 the past, but I think the level of risk we are talking about
2 is more tolerable and more appropriate than the risk
3 associated with either passive deterrence or moving toward
4 preventive war or a so-called bloody nose.

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

11 Thank you.

12 [The prepared statement of Dr. Green follows:]

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1 Senator Inhofe: Thank you.

2 Ms. Magsamen, back to you.

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

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

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

12 But first, I should be clear about one thing: North
13 Korea poses a serious threat to the United States and its
14 allies. North Korea is the country violating multiple U.N.
15 Security Council resolutions. And Kim Jong Un is a ruthless
16 tyrant building nuclear weapons on the backs of his
17 oppressed people. However, with tensions high and
18 increasing talk of preventive U.S. military action, I am
19 deeply concerned about the prospect of war with North Korea,
20 whether by miscalculation or by design.

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

1 interests.

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

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

9 South Korea would face an artillery barrage on Seoul,
10 if not a nuclear or chemical attack from the North.
11 According to the Congressional Research Service, between
12 30,000 and 300,000 could die within days of the conflict,
13 and that is just a conventional conflict.

14 In addition to 28,500 U.S. military personnel and
15 thousands of their dependents, there are approximately
16 100,000 to 500,000 American citizens living in South Korea.
17 There are hundreds of thousands of American citizens and
18 military personnel living in Japan. And, of course, Hawaii,
19 Guam, and Alaska are all within range of North Korean
20 missiles.

21 In the aftermath of war, we would be immediately
22 confronted with a massive humanitarian crisis, not to
23 mention issues of reunification, transitional justice, and
24 demobilization of the North Korean army. Just to give you a
25 sense of scale, the North Korean army, including reservists,

1 is around 7 million strong. That is 25 times the size of
2 the Iraqi army in 2003.

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

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

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

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

1 our alliances and our long-term interests in Northeast Asia.

2 And in a worst-case scenario, absent substantial
3 strategic and tactical deconfliction in advance, there is
4 the potential that a direct U.S.-China conflict could easily
5 materialize. Russia, which does share a small land border
6 with North Korea, could be counted on to play spoiler.

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

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

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

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

23 While the potential for nuclear coercion is real, I
24 agree with Dr. Green, we have a record of successful
25 deterrence and pushback. A preventive attack would

1 undermine America's deterrence strategy by showing we are
2 willing to sacrifice our allies, essentially decoupling them
3 from ourselves.

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

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

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

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

20 [The prepared statement of Ms. Magsamen follows:]

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1 Senator Inhofe: Thank you very much.

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

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

12 We have other missile-defense systems, such as Aegis
13 and THAAD, to help track and destroy missiles in the
14 terminal phase.

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

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

25 Admiral Blair: I agree completely, Senator Inhofe,

1 that boost phase is the best point at which to shoot down
2 missiles, because they have not had a chance to deploy all
3 sorts of deceptive devices and different warheads and so on.
4 As you know, that is something that has been known for a
5 while, and we have been working on it.

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

10 And I agree with you completely. We should be pursuing
11 it.

12 Senator Inhofe: I look at people like you, who have
13 been involved in this for a long period of time. What is
14 the reason that we have not jumped into the obvious phase
15 that we could be most effective in?

16 Admiral Blair: I think I would cite three things,
17 Senator.

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

23 The only other two ways to get close enough to do a
24 boost-phase interceptor is with a ship off the coast or on
25 Republic of Korea territory. ROK has not until recently

1 been willing to do the sort of cooperation that would host
2 that. And to keep a U.S. ship on station in North Korea
3 24/7/365 has been a heavier burden than the other
4 commitments of those ships have been willing to bear.

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

7 Senator Inhofe: Any other comments on that from the
8 other two witnesses?

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

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

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

23 It also is a source of leverage for us, because if
24 China doesn't want to see our alliances become more
25 integrated and joint through missile defense, then China is

1 going to have to put more pressure on North Korea. In other
2 words, the more serious we are about missile defense with
3 our allies, the more effective we will be at defending
4 ourselves, but also the more effective we will be
5 diplomatically at putting pressure on Beijing to, in turn,
6 put pressure on North Korea.

7 Ms. Magsamen: I would agree with Dr. Green's comments.
8 I would add one thing.

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

14 Senator Inhofe: I think most of the things that have
15 been mentioned, and certainly by you, Dr. Green, we did
16 address in the NDAA, and we are aware that we have fallen
17 behind there.

18 I want to make one last comment, and this was 25 years
19 ago, during Senate confirmation, CIA Director James Woolsey,
20 who happens to be an Oklahoman and I have known him for
21 quite some period of time, he said, "We have slain a large
22 dragon." He was referring to the Soviet Union. "But we
23 live now in a jungle filled with a bewildering variety of
24 poisonous snakes." Of course, what he was talking about at
25 that time 25 years ago, that was not quite the snake that we

1 are talking about this morning. And I think that is the
2 most vexing of those poisonous snakes.

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

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

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

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

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

23 Senator Inhofe: I noticed you said, at the conclusion
24 of your opening remarks -- I asked them to find it so I
25 could read it in its whole context, and it was not in your

1 written statement -- when you said you are mystified by the
2 doom and gloom surrounding our policy on North Korea. I
3 guess that kind of fits in with you deviating a little bit
4 from others' opinion.

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

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

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

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

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

24 The ICBM, as I said, if you want to test an ICBM fully,
25 you have to be there where it lands as well as being there

1 where it takes off. You have to take measurements and
2 understand if all of the mechanisms for deploying the weapon
3 work. North Korea will never be able to do that, so they
4 are always going to have an uncertain --

5 Senator Inhofe: All right. Very good.

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

10 Senator Reed: So moved.

11 Senator Inhofe: Second?

12 Senator Rounds: Second.

13 Senator Inhofe: All in favor, say aye.

14 [Chorus of ayes.]

15 Senator Inhofe: Opposed, no.

16 Senator Gillibrand: No.

17 Senator Inhofe: Anyone who would like to be recorded
18 as no, other than Senator Gillibrand?

19 [No response.]

20 Senator Inhofe: Very good. Thank you.

21 Senator Reed?

22 Senator Reed: Thank you very much, Mr. Chairman. This
23 has been an extraordinarily thoughtful presentation by the
24 witnesses. Thank you.

25 A theme seems to be appearing that there is not a

1 binary choice between war and diplomacy, that there are more
2 compelling alternatives -- containment, deterrence. And I
3 wonder, beginning, and I will go sort of reverse order in
4 seating order, with Ms. Magsamen, if you could just comment
5 about this notion of containment, deterrent, how we should
6 posture ourselves? Long term, what are the keys in this
7 approach?

8 Ms. Magsamen: Thank you, Senator.

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

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

22 So I do think that the Department of Defense, in
23 particular, but also others in the interagency should be
24 marking out what a long-term containment and deterrence
25 strategy looks like now, so that we can put ourselves in a

1 better position when we eventually get there.

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

11 So at a minimum, in terms of keeping other
12 international allies and partners onboard for a diplomatic
13 approach, a pressure approach, or a containment approach,
14 diplomacy on the table is going to be essential. And I
15 think it is really important for the strategic messaging
16 around diplomacy be clear.

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

21 And then finally, I would just say, in terms of
22 maximizing pressure, I do think there is more room to do
23 more. And I think that the administration's strategy of
24 maximizing pressure needs more time to play out. I think
25 there is certainly more that we can do in terms of

1 pressuring the Chinese, and I can talk a little bit about
2 that.

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

7 Senator Reed: Dr. Green, could you give comments? And
8 Admiral Blair?

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

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

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

1 need to have.

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

6 But deterrence with the Soviet Union was based on a
7 fairly simple formula. They had 127 divisions. NATO had
8 about two dozen. And we needed nuclear weapons to offset
9 that conventional advantage, and then they needed nuclear
10 weapons to offset our advantage. There was a certain level
11 of stability there.

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

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

1 Senator Reed: Admiral Blair, if you could, just a few
2 minutes, a minute if you could, or less.

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

7 Senator Reed: Thank you very much. Spoken like an
8 admiral. Thank you.

9 Senator Inhofe: Very good.

10 Senator Rounds?

11 Senator Rounds: Thank you, Mr. Chairman.

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

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

22 Dr. Green: The broad contours of that strategy are in
23 the article you referenced in "War on the Rocks" and in my
24 testimony, and you have heard from the other witnesses
25 important elements of the strategy as well.

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

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

15 And we, in my view, need to sustain our exercise
16 schedule with Korea and Japan, so that we are, as U.S.
17 Forces Korea put it, ready to fight tonight, and so that we
18 demonstrate our readiness, both our willpower but also our
19 capacity to introduce strategic assets like B-2 bombers and
20 so forth.

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

1 Senator Rounds: Thank you.

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

4 In your prepared remarks, you noted that the United
5 States and the Republic of Korea have been less effective in
6 responding to North Korean provocations below the level of a
7 major attack, citing the sinking of the South Korean frigate
8 the Cheonan and the DPRK cyberattacks as examples of this
9 shortcoming. Recent reporting in the Wall Street Journal
10 noted that U.S. officials might be considering so-called
11 bloody nose or limited strike options in response to North
12 Korean nuclear ICBM tests.

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

20 Admiral Blair: Senator, absolutely, we should not only
21 consider retaliatory strikes for lower level provocations by
22 North Korea, we should carry them out.

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

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

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

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

20 Let me just add a last thing. It is quite interesting,
21 the provocations by Kim Jong Un's father and grandfather
22 were things like special forces attacks on the Blue House,
23 assassinations of South Korean cabinet officers, shootings
24 of missiles, sinkings of destroyers. Kim Jong Un's
25 provocations have been these missile tests within North

1 Korea and nuclear tests within North Korea. Interesting.
2 Not things that kill or hazard South Korean civilians, which
3 are what really inflame the passions.

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

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

10 Senator Rounds: Succinctly put. Thank you. Shwack
11 him. Thank you.

12 Thank you, Mr. Chairman.

13 Senator Inhofe: Senator Shaheen?

14 Senator Shaheen: Thank you.

15 Thank you all for being here today.

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

18 Admiral Blair: It is interesting. I have been
19 involved in fairly high-level discussions of this, and the
20 discussions generally take the form of, "Gosh, if we respond
21 in a firm way, he will get angry and retaliate, and this
22 thing will escalate."

23 What you have to understand is that when we are strong,
24 North Korea backs down. It is counterintuitive, I know,
25 because it is not the way you and I think. But we are

1 talking about a gangster, survival regime, which is not
2 interested in reputations and escalation theory. It is
3 interested in surviving.

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

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

9 Senator Shaheen: It is sort of the way bullies
10 respond.

11 Admiral Blair: Bingo.

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

17 Ms. Magsamen: Certainly. I will start with China.

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

24 I think the Chinese are most fearful of instability on
25 their periphery, the potential for millions of refugees

1 flowing across. But I also think that they are very
2 suspicious of whether or not the United States would try to
3 take advantage of any potential collapse scenario or any
4 additional military strikes.

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

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

13 So I think the U.S. and China have, at multiple
14 moments, tried to have conversations about what a long-term
15 orientation on the peninsula looks like in the event of a
16 state collapse in North Korea or a military action. And the
17 Chinese have been pretty resistant to have that conversation
18 with us in the past. I think that may be changing, given
19 the circumstances.

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

24 Senator Shaheen: Russia?

25 Ms. Magsamen: I think the Russians will continue to be

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

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

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

16 Ms. Magsamen: Absolutely. I think the bipartisan
17 sanctions legislation on Russia should be implemented by the
18 administration, absolutely, separate and distinct from the
19 issue on North Korea.

20 And certainly, in China's regard, I think we have been
21 holding the threat of secondary sanctions over them. I
22 think we actually have to demonstrate our seriousness in
23 that space.

24 Senator Shaheen: We had people testifying before this
25 committee, I think a little over a year ago, who said that

1 the only way they saw China taking a more active role to
2 deter North Korea was if we did increase those secondary
3 sanctions, particularly on their financial industry; and
4 second, if they thought a war on the Korean Peninsula was
5 imminent. Do you agree with that?

6 Ms. Magsamen: I would agree with that. The two things
7 that China fears most are secondary sanctions and
8 encirclement by the United States.

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

11 Senator Shaheen: And can I ask Dr. Green and Admiral
12 Blair if you agree with both of those statements, that we
13 should move forward more expeditiously on implementing the
14 Russian sanctions, and that that is the only way to get
15 China to act?

16 Dr. Green?

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

22 I can give you concrete evidence that this is right,
23 that financial sanctions, threats against China, get them to
24 move. I was the senior Asia official in the NSC 12, 13
25 years ago when we sanctioned a very small bank called Banco

1 Delta Asia in Macao. Governor Zhou of the People's Bank of
2 China was told ahead of time by our authorities, and the
3 Chinese very quickly shut down North Korean bank accounts
4 throughout their system, because of the risks to their
5 banks, reputationally and in terms of even the prospect then
6 of secondary sanctions.

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

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

17 The Hwasong-15 missile, as you may know, is on a nine-
18 axle TEL, a giant chassis that the Chinese built for
19 logging, that showed up in a military parade for the world
20 to see in North Korea.

21 So, yes, the sanctions will be effective.

22 And our alliances are critical, if I can quickly
23 emphasize that point again. The Chinese assumption long
24 term, I believe, and you can hear it clearly in speeches by
25 Xi Jinping and other leaders, is that U.S. alliances in Asia

1 will wither as Chinese economic power grows. If Beijing
2 thinks that, there is little incentive for them to pressure
3 North Korea now. Why not wait until they have a situation
4 10, 20, 30 years down the road, where they have maximum
5 leverage on both Koreas?

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

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

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

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

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

25 However, China doesn't see a clear path to get there.

1 They think that pushing the North Korean regime too hard
2 would result in chaos, which would be bad for them for all
3 sorts of reasons. They think the United States might take
4 advantage of it and not stick to our side of the deal.

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

10 Senator Shaheen: Thank you. Thank you very much, Mr.
11 Chairman.

12 Senator Inhofe: Thank you.

13 Senator Rounds is presiding, and we recognize Senator
14 Perdue.

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

21 Do you agree with that assessment? And what should we
22 be doing right now to make sure we have all the intel we
23 need, ISR and so forth, to make good, solid planning
24 decisions for North Korea?

25 Admiral Blair: Senator, I am not going to second-guess

1 somebody who has the job that I used to have, so you will
2 have to press Admiral Harris on that, probably in closed
3 session.

4 Senator Perdue: I will be happy to do that. Thank
5 you.

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

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

16 What can we do to ensure that Russia is not frustrating
17 our efforts? And then secondarily, what can we do to help
18 bring Russia into a constructive conversation around this
19 sanction implementation?

20 Dr. Green: It is an excellent question, Senator. And
21 for all the difficulties we are having with Moscow, I would
22 not paint them as 100 percent against our strategy on North
23 Korea.

24 For example, in my own experience working this problem
25 in government a decade ago, the Russians take the nuclear

1 piece of this very seriously. If we were to have
2 instability and collapse or, somewhere down the road, a
3 diplomatic agreement for nuclear disarmament, Russia's role
4 would be critical. We would want to get fissile material
5 out. Russia has experience immobilizing nuclear weapons,
6 and so on and so forth. There is a potential role for
7 Russia.

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

25 Senator Perdue: Thank you.

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

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

11 Admiral Blair: Senator, I think the other countries of
12 the world dealing with North Korea fall under two
13 categories, those which are shameable and, if we simply
14 bring it to their attention that their currencies are being
15 counterfeited, North Korean workers in their countries are
16 sending money back home and forming potential assassin
17 squads within their countries, they will do something about
18 it, they just haven't done it because it is a high priority
19 --

20 Senator Perdue: You are talking about the exported
21 labor from North Korea?

22 Admiral Blair: I am talking about Malaysia and the
23 thousand workers who were there. I am talking about
24 countries in the Middle East that use imported North Korean
25 laborers for their own purposes. Those countries, I think,

1 if we go to the intelligence effort to identify all of that,
2 then our Ambassador walks in, tells them, "Listen, take of
3 care of this." "Oh, okay, we will do it." And then we just
4 follow up. So that is one category.

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

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

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

25 As I said in my written testimony, in the mid-1990s,

1 when the Soviet Union fell apart and their explicit
2 subsidies to North Korea ended, the overall inputs, the
3 external trade coming into North Korea, dropped by 50
4 percent, roughly. The result was mass starvation, complete
5 collapse of the economy, and North Korea had to completely
6 recalibrate its policies.

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

13 Senator Perdue: Thank you.

14 Thank you, Mr. Chairman.

15 Senator Rounds: [Presiding.] On behalf of the
16 chairman, Senator Gillibrand?

17 Senator Gillibrand: Thank you.

18 While our President is cutting our State Department and
19 USAID budgets, and, unfortunately, too often alienating or
20 sending mixed signals to our allies, China is actively
21 forming relationships and seeking influence around the world
22 at an unprecedented level.

23 My first question is, how has the standing,
24 credibility, and perception of the United States changed
25 since President Trump took office? And have these changes

1 affected our ability to address the threat of North Korea?

2 Starting with Ms. Magsamen.

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

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

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

24 And allies like Japan may not be able to publicly say
25 some of these things, because they are very intensely

1 interested in staying as closely aligned with the United
2 States as possible, but I do think that there is a
3 significant amount of questioning going on about our ability
4 to follow through on diplomacy and the potential for war.

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

11 So that would be how I would respond.

12 Senator Gillibrand: Dr. Green?

13 Dr. Green: So the administration's free and open Indo-
14 Pacific strategy was literally taken word for word from the
15 Japanese Foreign Ministry and elevates the importance of
16 India and Australia. In concrete form, you can see it,
17 because those four countries -- the U.S., Japan, India, and
18 Australia -- have convened a so-called Quad officials
19 meeting to coordinate, essentially, on China. For a long
20 time, they weren't willing to do it, because they were
21 worried about China's reaction.

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

1 On the other hand, in Southeast Asia, I think almost
2 any expert you ask, and I have traveled to the region, to
3 Southeast Asia, several times this last year, will tell you
4 we have lost ground. We have lost ground because of our
5 withdrawal from TPP. We have lost ground because our
6 diplomats are not empowered.

7 The President spent 12 days in Asia, and Secretary
8 Mattis has made more trips to Southeast Asia in his first
9 year than any of his predecessors. But the maintenance of
10 our relationship with the 10 members of ASEAN, Thailand,
11 Malaysia, and so forth, that is done by the State
12 Department. It is not done by the White House. I can say
13 that as a former White House guy. If you do not have a
14 confirmed Assistant Secretary, if you do not have a clear
15 strategy for your diplomats, if you do not have a trade
16 strategy, they have nothing to work with.

17 And you can just feel it in the region, that we have
18 lost in that critical part of Asia. We can recover. And
19 the bigger maritime powers are with us. But we have lost
20 ground.

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

1 is going to weaken our leverage on a whole range of issues.

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

6 Senator Gillibrand: Admiral Blair?

7 Admiral Blair: Basically, Senator Gillibrand, I would
8 agree with Dr. Green.

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

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

19 Senator Gillibrand: Thank you.

20 Thank you, Mr. Chairman.

21 Senator Rounds: On behalf of the chairman, Senator
22 Sullivan?

23 Senator Sullivan: Thank you, Mr. Chairman.

24 And thank you to the witnesses for your testimony. I
25 particularly want to thank Dr. Green and congratulate him on

1 his recent book, "By More Than Providence." Anyone
2 interested in a great treatise on American strategy in the
3 Asia-Pacific should read it. I am still reading it. It is
4 pretty long, but it is a great book.

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

17 So this binary debate has started about, to make sure
18 we do not let them cross that red line, we either need to
19 undertake a preemptive or preventative military action,
20 which, by the way, I believe the Congress of the United
21 States would have to authorize. It is not the President's
22 call to do that under our Constitution. Or there has to be,
23 as we have been discussing here, some kind of sustained
24 serious containment and deterrence.

25 Dr. Henry Kissinger weighed in on this kind of binary

1 choice, a fork in the road, as some senior officials have
2 called it. He said there were rational arguments on the
3 preemptive war part, but he had concerns about going it
4 alone.

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

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

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

20 Dr. Green: Thanks, Senator. There will be a quiz on
21 the book in the next open hearing. But first, on this
22 binary choice, it is an important point because, for 25
23 years, Republican and Democratic administrations have faced
24 repeated crises with North Korea. The North Koreans have
25 been able to hit our bases and allies in Japan and Korea for

1 over a decade. In other words, this is not a --

2 Senator Sullivan: With a nuclear weapon?

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

8 And the way both Democratic and Republican
9 administrations have generally dealt with this, since George
10 Herbert Walker Bush, is to increase pressure, not want war,
11 and then toggle over to diplomacy and release the pressure.
12 And every administration has done that, because war is so
13 unthinkable.

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

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

25 Senator Sullivan: Okay, let me ask you a couple other

1 elements of what that deterrence and containment strategy
2 might look like.

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

9 Again, this is not a preemptive or preventative war,
10 but if we have a serious containment and deterrence
11 strategy, it would have to have some elements of force to be
12 credible, and particularly to be able to be credible on the
13 issue that Secretary Tillerson says is his reason for not
14 wanting a containment and deterrence strategy, and that is
15 proliferation.

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

21 Dr. Green: The answer is yes. I think we need a more
22 aggressive interdiction strategy.

23 Senator Sullivan: And would our allies and Russia and
24 China agree with that, if we said this is the strategy?

25 Dr. Green: If we create the conditions where there are

1 consequences for them not to cooperate, for example,
2 secondary sanctions, then I think they will be more
3 cooperative. We have seen that in the past.

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

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

15 Senator Sullivan: Admiral Blair, do you have any
16 comments? Sorry, I have gone over my time.

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

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

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

4 Senator Sullivan: Thank you.

5 Thank you, Mr. Chairman.

6 Senator Rounds: On behalf of the chairman, Senator
7 Hirono?

8 Senator Hirono: Thank you.

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

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

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

23 We get into fine debating points with adjectives and so
24 on. North Korea has been a threat to American interests
25 ever since the end of the Korean -- unexpected things

1 happen. North Korea has been a threat ever since the Korean
2 War. They are very adept and have the penchant for using
3 unconventional forms of aggression against this country. In
4 that sense, they are sort of a running threat.

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

9 Senator Hirono: Would you agree with that, Ms.
10 Magsamen?

11 Ms. Magsamen: Yes, I would agree with Admiral Blair's
12 comments. Also, I think the word "imminent" sort of implies
13 a sense of intent on behalf of the adversary. And again, I
14 think if you are thinking about whether or not Kim Jong Un
15 intends to actively first strike the United States, I think
16 there are open questions about that. So I would agree with
17 Admiral Blair's comments.

18 Senator Hirono: That doesn't mean, just because North
19 Korea is not an imminent threat, that we should not be doing
20 the variety of responses and actions that all three of you
21 have laid out in your testimony. I think this binary
22 discussion we are having, which means do we use either
23 military force or do we use diplomacy, I agree with all of
24 you, I think, if this is what you are saying, that we should
25 not confine ourselves to an either/or situation because it

1 is all very complicated diplomatically, as well as from an
2 intelligence standpoint, as Admiral Blair has pointed out.

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

5 Ms. Magsamen: Yes.

6 Admiral Blair: Yes, Senator. The line of American
7 Ambassadors of all administrations to that country have been
8 very distinguished, fine public servants, and they have
9 played absolutely crucial roles at key times during crises.
10 And we need to have that strong voice there.

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

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

20 Admiral Blair: Right. In order to make a retaliation
21 to provocation effective and terminal, you should not be in
22 a tit for tat of they poke you and you poke them a little
23 bit. When they poke you, you should poke them a lot more
24 than they were poking you. So if they sink one ship, you
25 should sink three. If they fire 10 artillery shells, you

1 should fire 50.

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

6 Senator Hirono: You made a note that Kim Jong Un's
7 grandfather and father both did very specific things, such
8 as sinking ships and assassinating people. What Kim Jong Un
9 is doing, as you noted, is a little bit more difficult to
10 define as being the kind of provocation that should lead us
11 toward any kind of a military disproportionate, as you would
12 say, response.

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

18 I am out of time. Thank you.

19 Senator Inhofe: [Presiding.] Senator Cotton?

20 Senator Cotton: Thank you, Mr. Chairman.

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

1 United States.

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

7 Dr. Green: Thank you, Senator. I am glad you did
8 return to the question raised by Senator Sullivan, because I
9 think I need to add more clarity.

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

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

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

25 And that is why I said earlier in my testimony, this

1 new containment strategy will involve a higher level of risk
2 for us, but it is to prevent us having to take even riskier
3 choices down the road, but not for preventive war. I think
4 that is a much harder case.

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

13 Dr. Green: That is right. So my understanding is
14 that, after the 2010 attacks by North Korea against South
15 Korea, the ROK and the U.S. agreed on new guidelines, on new
16 planning parameters, for counter-provocation that would
17 involve moving up one echelon. They hit us with a battery;
18 we hit the headquarters in the brigade.

19 The North Koreans backed off, because they knew it was
20 a limited context, and it was not a preamble to invasion or
21 regime change. And that is easier -- not easy, but easier
22 -- to manage, in term of escalation.

23 Senator Cotton: What might be intended as a limited or
24 retaliatory strike might be perceived as an effort to go for
25 the jugular.

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

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

10 Senator Cotton: Okay. Admiral Blair, given that
11 context that has prevailed in the Korean Peninsula for some
12 time, and the motto of U.S. Forces Korea, "Ready to fight
13 tonight," we have about 250,000 American citizens on the
14 Korean Peninsula. A lot of those are private citizens.
15 Many of them are military personnel, but many of them are
16 dependents, husbands and wives, and kids of those military
17 personnel, plus our diplomatic personnel.

18 Would it be prudent, given the heightened tensions, to
19 begin to consider stopping the deployment of dependents of
20 U.S. Government officials and military personnel on the
21 Korean Peninsula?

22 Admiral Blair: Stopping that right now, in view of the
23 current level of tensions, are you asking, Senator?

24 Senator Cotton: Yes. So obviously, it would be a huge
25 evacuation effort to get all of the dependents out of Korea,

1 even if you wanted to do that today. But would it be
2 prudent to say to servicemembers, starting in 30 days, Korea
3 will once again be an unaccompanied tour and not an
4 accompanied tour, so we do not continue adding to the risk
5 that we are posing to our families and also the leverage
6 that we might be giving to the Kim regime?

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

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

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

19 Senator Cotton: Okay, thank you. My time has expired.

20 Senator Inhofe: Senator Heinrich?

21 Senator Heinrich: Thank you, Mr. Chair.

22 There has been a relatively high amount of unanimity
23 from all of you in terms of what sort of approach we should
24 be taking. Is it fair to say for each of you that there is
25 an enormous difference in relative risk, regarding

1 escalation, between something that would be retaliation for
2 bad North Korean behavior versus something that would be
3 preemptive? Do you all agree on that point?

4 Admiral Blair: I strongly do. Yes, sir.

5 Dr. Green: I agree as well.

6 Ms. Magsamen: I do as well.

7 Senator Heinrich: Do you also agree that our first
8 priority here in getting this right, especially for the long
9 term, should be having a unified strategy with our allies in
10 the region?

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

16 Senator Heinrich: South Korea.

17 Admiral Blair: Excuse me. Yes, sir. Brain cells,
18 senior moments.

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

24 Senator Heinrich: Dr. Green?

25 Dr. Green: I agree the current South Korean Government

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

9 Ms. Magsamen: I would agree that alliances are
10 essential to a successful American strategy in the Pacific,
11 so absolutely.

12 Senator Heinrich: Would we be in a better position to
13 create that sort of unified strategy with our allies if we
14 had a sitting Ambassador to South Korea right now?

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

22 Senator Heinrich: Obviously, one of the things we want
23 to do is send that message of steadiness and clarity to our
24 allies, but also to North Korea. When you see things like
25 the recent tweet from the President about a much bigger and

1 more powerful nuclear button, obviously, that was designed
2 to be heard by the North Korean regime, but what does it
3 send in regard to a message to our allies in the region?
4 What do they think when they see that kind of action coming
5 out of the White House?

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

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

14 But in general, I do not think it is the problem. I
15 think the problem with our alliances right now is that the
16 talk of a bloody nose or preventive war is focusing allies
17 that should be working with us on pressuring North Korea on
18 finding ways to slow us down. We want to redirect them on
19 the real problem.

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

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

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

12 That all comes at the same time that the Congress voted
13 517-to-5 to give more sanctions tools to the administration
14 to deal with Russia, and yet we do not see a willingness to
15 impose those sanctions.

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

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

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

1 Russian behavior.

2 Senator Inhofe: Senator Ernst?

3 Senator Ernst: Thank you, Mr. Chair.

4 And thank you to our witnesses for being here today and
5 discussing a very important topic to all of us.

6 Admiral Blair, I would like to start with you, sir.

7 Many years ago, I was very fortunate to have the opportunity
8 to attend an agricultural exchange in Ukraine while it was
9 still part of the Soviet Union. And during that time, the
10 other Iowa students and I lived on a collective farm for a
11 number of weeks.

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

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

1 freedoms like news and television and technology inside of
2 North Korea?

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

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

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

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

1 and let them draw their own conclusions.

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

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

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

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

21 Dr. Green: As you know well, Senator, the consequences
22 of our leaving TPP are that our trading partners are signing
23 agreements with each other, with Europe, that are freezing
24 out our exporters, especially our exporters from
25 agricultural States. It is costing us, and it is going to

1 cost us more as these new trade agreements we are not in
2 take effect.

3 On a geopolitical basis, the impression in the region
4 is that the United States is abdicating leadership on what
5 kind of rules will govern trade and investment. I was, in
6 the Bush administration, part of the small group that
7 contemplated whether or not we should do a free trade
8 agreement with the Republic of Korea, which, of course, we
9 did. One of the main reasons we decided we needed to do it
10 was to demonstrate clearly that our fate and our ally South
11 Korea's fate were going to be tied together for generations
12 by greater economic interdependence and cooperation.

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

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

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

3 Senator Ernst: Very good. Thank you. We need to
4 engage.

5 Thank you, Mr. Chair.

6 Senator Inhofe: Senator Warren?

7 Senator Warren: Thank you, Mr. Chairman.

8 And thank you all for being here today. I want to talk
9 more about our alliances in the region.

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

16 By developing a long-range nuclear capability, North
17 Korea is trying to convince our allies that the U.S. will
18 not protect them, leaving them open to Kim Jong Un's
19 bullying and intimidation.

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

23 Ms. Magsamen: Thank you, Senator. I think that is a
24 very important question.

25 The relationship between Japan and Korea has actually

1 been deteriorating recently, and I think one the most
2 important things that --

3 Senator Warren: It has never been easy.

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

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

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

24 Senator Warren: Actually, let me drill down just a
25 little bit more on that. As you rightly say, it is no

1 secret that South Korea and Japan have a very complicated
2 history, dating back for many years, and that the United
3 States has traditionally played a role in trying to keep the
4 three of us together in the region. Can you just say a word
5 more about what you think the United States should be doing
6 in order to preserve that three-part relationship,
7 particularly focusing on the part between South Korea and
8 Japan, if you could?

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

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

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

24 Senator Warren: Thank you. I think that is very
25 important. I want to loop back to the point I had started

1 with, though, here.

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

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

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

16 Thank you, Mr. Chairman.

17 Senator Inhofe: Senator Peters?

18 Senator Peters: Thank you, Mr. Chairman.

19 And thank you to our witnesses today. It is a
20 fascinating discussion.

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

24 But, Ms. Magsamen, I would like to just ask you about
25 Kim Jong Un's response. You mentioned in your testimony

1 that it is a big gamble to count on his rationality. But I
2 also want to think a little bit about what is the political
3 situation that he faces.

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

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

12 Ms. Magsamen: I would say one thing on the bloody nose
13 approach, the preventive use of force, to sort of take a
14 limited strike with the objective of compelling Kim Jong Un
15 to the negotiating table, I think there are significant
16 weaknesses.

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

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

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

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

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

12 Senator Peters: And part of it, to be effective, if it
13 is effective, is you have to have the belief that this is
14 not a full-on attack from the United States that would
15 jeopardize his position, as you mentioned.

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

1 nose.

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

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

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

20 In the context of conducting a limited retaliatory
21 strike, those sorts of preparations are interpreted and have
22 been in the past by North Korea as meaning that the United
23 States is serious about responding to general conflict, if
24 they had to, and they have generally backed down at that
25 point.

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

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

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

25 Senator Peters: Thank you.

1 Senator Inhofe: Senator Blumenthal?

2 Senator Blumenthal: Thank you. Thanks, Mr. Chairman.

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

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

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

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

25 The North Koreans also have been tied to the WannaCry

1 attack earlier this year that impacted over 200,000 victims
2 in 150 countries, as well as the Sony attack in 2014. They
3 were linked last month to a \$60 million theft from a
4 Taiwanese bank.

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

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

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

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

21 Admiral Blair: All right, Senator, I will just start
22 quickly.

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

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

10 Dr. Green: I would agree. I think it is important for
11 two additional reasons.

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

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

19 And secondly, North Korea's cyber activities are one
20 piece of the larger network of criminal associations they
21 have with the triad, the Green Gang, the Real IRA, a whole
22 host of the worst actors in international crime.

23 That is not just a law-enforcement issue. That is a
24 problem because that is also how they are getting technology
25 for the weapons and, in the worst-case scenario, how they

1 might try to transfer out of North Korea fissile material or
2 weapons to retaliate against us.

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

12 Senator Blumenthal: Thank you all.

13 Thanks, Mr. Chairman.

14 Senator Inhofe: Senator King?

15 Senator King: Thank you, Mr. Chairman. I apologize
16 for the drama associated with my exit. I wish I could blame
17 Kim Jong Un for that, but I think it was Elizabeth Warren
18 actually that tripped me.

19 [Laughter.]

20 Senator King: No, it was me.

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

24 Number one, is Kim Jong Un rational? The uniform
25 response was yes, that he is not crazy and he is capable of

1 rational analysis. And, therefore, that leads to a
2 possibility of a deterrence strategy being successful.

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

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

10 So if I am trying to put myself in his shoes, which I
11 think is what we all ought to try to do, you look around the
12 world and you say, okay, who has denuclearized? Saddam,
13 dead. Qaddafi, dead. Ukraine, invaded. And what about
14 nuclear agreements with the U.S.? Well, there was one in
15 2015, but now, 3 years later, it appears to be on the verge
16 of being abrogated.

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

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

25 I do think that he is aggressively pursuing the

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

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

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

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

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

24 Admiral Blair: I think that he has, right now, worked
25 out a strategy, an approach, it is not a strategy, of this

1 nuclear missile development within his own country, which,
2 as I said earlier, is not as provocative in terms of public
3 outrage in the Republic of Korea and the United States as
4 the old sorts of provocations of sinking ships, special
5 forces assassinations, and so on. And it builds a nuclear
6 capability, which he can use for two purposes. One, he can,
7 as predecessors have done, use pieces of it to get
8 concessions in other areas, political and economic. And
9 two, ultimately, as you pointed out, it can be his ace in
10 the hole.

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

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

19 Senator King: Let me turn the discussion a bit,
20 because this has been a very important hearing, because
21 until today, the only discussion has been, in effect, bomb
22 or don't bomb. I mean, it has been very straightforward
23 about military force. And yes, we are going to talk about
24 diplomacy. Now we are talking about containment and
25 deterrence.

1 The flaw in deterrence, it seems to me, in this
2 particular situation, is the proliferation danger, and can
3 we develop deterrence 2.0 in this situation that would deal
4 with proliferation? Because if these weapons fell into the
5 hands of ISIS or someone who you couldn't deter because they
6 are not a state actor, that would raise the level of threat
7 exponentially.

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

14 Senator King: And part of the coercion could be
15 threatening proliferation.

16 Dr. Green: I am convinced part of it will be. I was
17 in negotiations with the North Koreans in Beijing in 2003
18 when, on instructions from Pyongyang, their delegate said to
19 us, "If you do not end your hostile policy" -- and by that,
20 they meant sanctions, our nuclear umbrella over Japan and
21 Korea, our forward bases. "If you do not end it, we will
22 transfer our 'deterrent' to a third country." That was
23 2003. And in 2007, we caught them, the Israelis caught
24 them, helping to build a nuclear power plant in Syria and
25 bombed it.

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

6 That is why we have to have a very active deterrence
7 2.0, as you put it, where we are interdicting, where we are
8 putting pressure on potential recipients of technology,
9 where we are interdicting at sea, and where we are
10 retaliating quickly and promptly whether it is in cyberspace
11 or other domains to impose a cost and to make it much more
12 difficult for them to proliferate in or out.

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

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

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

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

6 Thank you, Mr. Chairman.

7 Senator Inhofe: Thank you, Senator King.

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

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

16 And we are adjourned.

17 [The information referred to follows:]

18 [COMMITTEE INSERT]

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