Along the demilitarized zone (DMZ), US and South Korean forces face off against North Korean long-range artillery and missiles that have the power to devastate Seoul, only thirty-seven miles to the south. North Korean officials and media regularly accuse the US of preparing to attack — and use the fear of a US military strike to mobilize support for their draconian regime. Despite US assurances that it has “no intention” to invade North Korea, fear of a US military action drives North Korea’s preparations for war and for achieving a nuclear deterrent. Against the virtually unanimous opposition of the international community, Pyongyang conducted its first nuclear test in October 2006, making good on its long-standing determination to become a nuclear weapons state.

North Korea’s intransigence and its unwillingness to bow either to US pressure or the will of the international community have long made it a thorn in the side of US policymakers in both Democratic and Republican administrations. At times, North Korea almost seems to take pleasure in defying the entire outside world and sinking deeper into its political isolation. In the US, North Korea’s behavior often inspires anger, dampens enthusiasm for creative diplomacy, causes officials to question the rationality of Pyongyang’s policymaking, generates worst-case intelligence assessments, and most importantly, spurs worst-case military planning for an uncertain future.

With the harsh reality of a dangerous and ongoing military stand-off, it is perhaps not surprising that the US and North Korea are still legally in a state of war and have lived under a mere ceasefire — the 1953 Armistice — since the end of the Korean War. While some observers argue that the Armistice has contributed to stability — and South Korea’s astounding economic growth — it has proven incapable of ending the heavy and highly threatening deployment of North Korean forces just north of the DMZ or significantly lowering the threat of accidental and unintended war on the peninsula. Needless to say, the Armistice has also failed to supply a framework for addressing North Korea’s programs to develop nuclear weapons or ballistic missiles.
Over the past 15 years, North Korea’s potential nuclear and missile capabilities have been the primary factors driving US diplomacy toward Pyongyang. To a large extent, US policy has subordinated other interests and issues to its overriding concern with rolling back North Korea’s nuclear and missile programs. It has too often ignored the larger political considerations that motivate most of the other regional players, especially North Korea, but also China, Russia and South Korea. Over this period, diplomatic successes such as the 1994 Agreed Framework, which froze North Korea’s nuclear weapons program, have been few and the ongoing difficulty in reaching resolution of the preeminent nuclear issue has continued to aggravate relations between Washington and Pyongyang. On several occasions, it has appeared that a new war on the Korean peninsula could break out, despite the realization by all parties that this would likely cause hundreds of thousands of deaths and massive destruction.

Conclusions and Recommendations
The US has few more important policy goals than eliminating North Korea’s nuclear weapons program. The risk that the dangerous and repressive Pyongyang regime could transfer nuclear weapons and materials to rogue states or terrorist groups weighs particularly heavy on the minds of US policymakers. US negotiators in February 2007 achieved a breakthrough in the six-party talks towards the goal of reversing Pyongyang’s nuclear ambitions. The “joint agreement” — among the US, North Korea, South Korea, China, Japan and Russia — set in motion a process for dismantling Pyongyang’s nuclear weapons program. But this agreement still leaves the parties a long distance from denuclearizing North Korea or resolving other fundamental security, political, and economic issues on the Korean peninsula. This report describes a path and the elements of a comprehensive settlement to achieve the full range of US strategic goals in Korea.

After more than nine months of deliberations, a nonpartisan working group, organized by the Atlantic Council, has concluded that the US should now seek a comprehensive settlement in Korea — the major aspects of which are outlined below — that builds on but also goes beyond the administration’s February 2007 political decision to move ahead on nuclear negotiations with North Korea. In the working group’s view, parallel negotiations to achieve a series of agreements on political, security and economic issues related to the nuclear deal will provide the US with significantly greater diplomatic leverage for achieving its strategic policy goals of denuclearizing North Korea and establishing long-term peace and stability in Northeast Asia. Realizing a comprehensive settlement would also demonstrate the strategic value of making diplomatic common cause with an emerging China.

Enlarging the diplomatic agenda through parallel negotiations, alongside the nuclear talks, will strengthen the US hand by enabling diplomats to assert
additional pressures on North Korea as well as provide Pyongyang, and other negotiating partners, new incentives. By offering the prospect of a fundamental settlement of all outstanding disputes with North Korea (and by expressing a willingness to negotiate other military, political and economic issues together with the nuclear issue), the US would significantly improve the political conditions for the negotiations. The history of negotiating with North Korea demonstrates that improvements in political conditions almost always precede and foster agreements on security-related issues. Clearly, North Korea will be required to make major concessions in the course of negotiations on a comprehensive settlement. In the working group’s view, Pyongyang will be more likely to do so if it perceives that its concessions will help bring about a resolution of all major security issues, while furthering economic development and normalizing political relations with the United States. (A companion volume to this report, “U.S-North Korea Relations: An Analytic Compendium of U.S. Policies, Laws and Regulations,” addresses the steps that need to be taken by both sides to facilitate a change in existing US laws, regulations, and policies that currently inhibit US relations with North Korea, as part of the process of normalizing bilateral relations).

Given the unpredictable nature of diplomacy with North Korea, it may well be that only some of the proposed elements are necessary and they should be implemented in a sequence that is best determined at a future time. Nevertheless, the working group believes that all these elements are ripe for current consideration and the US should move now toward a comprehensive settlement of security, political and economic issues on the Korean peninsula.

**Recommendations**
The working group recommends that the US take the following steps:

- Express a strong US commitment to achieve a comprehensive settlement in Korea both to facilitate the success of the denuclearization talks and to resolve other critical security, political and economic issues on the Korean peninsula. Peace arrangements would take the form of a series of measures, outlined in further detail below, which includes a Denuclearization Agreement, a Four Party Agreement that replaces the 1953 Armistice, a US-North Korea agreement for normalizing relations, a trilateral US-South Korea-North Korea agreement on military measures, and an agreement establishing a multilateral organization for security and cooperation in Northeast Asia that could grow out of the current six-party arrangement.

- Proceed reciprocally and step-by-step in a Denuclearization Agreement aimed at the complete, verifiable and irreversible dismantlement of North Korea’s nuclear weapons program, including the removal of spent nuclear fuel, the destruction of existing bomb and warhead stockpiles, and the implementation of a full protocol for verification and inspection to ensure
ongoing compliance.

● Pursue a Four Party agreement among South Korea, North Korea, China and the US to replace the 1953 Armistice with a new overall political and legal structure for long-term peace and stability on the Korean peninsula. Among other measures, this agreement would provide for a formal cessation of hostilities in Korea, recognize the sovereignty and territorial integrity of both Koreas, extend US and Chinese security guarantees to North and South Korea, and affirm the goal of eventually achieving Korean national reunification. This agreement should be endorsed by a resolution of the UN Security Council.

● Negotiate a bilateral agreement with North Korea — in close coordination with South Korea — to settle outstanding political and legal issues, normalize diplomatic relations, and provide US assistance to foster economic development and economic reform in North Korea. The bilateral agreement would address the steps to facilitate a change in existing US laws regulations, and policies that inhibit normal US relations with North Korea, as described in the companion volume to this report, “U.S-North Korea Relations: An Analytic Compendium of U.S. Policies, Laws and Regulations.” (Rather than negotiating a single agreement, the US and North Korea might instead negotiate several agreements that, taken together, adjust and normalize the overall bilateral relationship).

● Negotiate a trilateral agreement among the US, South Korea and North Korea to implement military confidence-building measures as well as to adjust deployments and force levels on the Korean peninsula. In these talks, the US and South Korea would first agree between themselves and then negotiate the implementation of military measures with North Korea.

● Aggressively explore establishing a new multilateral organization for security and cooperation in Northeast Asia both to manage North Korea-related issues and to help realize US strategic policy goals for the region as a whole. Modeled on the Organization for Security and Cooperation in Europe (OSCE) and other existing multilateral security frameworks, the new multilateral organization would pursue an agenda focused on security, economic and humanitarian issues.

● Convene an on-going series of meetings of foreign ministers of the countries involved in negotiating a comprehensive settlement — South Korea, North Korea, China, Japan, Russia and the US — for the purpose of overseeing these negotiations and forming the nucleus of a new multilateral organization for regional security and cooperation. An initial meeting of foreign ministers, agreed to in the six party “joint agreement” of February 13, 2007, should take up these issues.
● Immediately propose interim military confidence-building measures, from among those contemplated for a trilateral agreement, to foster the necessary political confidence among the parties for negotiating a comprehensive settlement.

● Seek bipartisan consensus in Congress on US diplomatic objectives regarding Korea. While leadership on North Korea issues remains firmly with the administration, bipartisan Congressional support will be critical for realizing a comprehensive settlement and funding for any arrangements agreed with the North.

● Synchronize US strategy more effectively with South Korea. Clearly, a strong US effort to achieve a comprehensive settlement on the Korean peninsula, in and of itself, would significantly improve US relations with South Korea. Nevertheless, because a US leadership role in pursuing a comprehensive settlement would once again thrust the US to the forefront in determining a historical political outcome in Korea, Washington should exert all possible efforts to coordinate its negotiating positions with Seoul and strengthen cooperation through the Strategic Consultation for Allied Partnership (SCAP), a new set of diplomatic meetings agreed upon in January 2006.

Members of the Working Group
The members of the working group believe that the recommendations stated in this report promote overall US interests. While there may be some parts of the report with which some participants are not in full agreement, each participant believes that the report, as a whole, provides a sound basis for future actions by the government of the United States. The views of the working group members do not represent the official position of any institution.

MEMBERS OF THE WORKING GROUP

Project Director Donald Gross, Atlantic Council of the United States

Members Jonathan Adams, Institute for Sino-American International Dialogue, University of Denver; Daniel Bob, Canonbury Group; Richard Bush, The Brookings Institution; Paul F. Chamberlin, Center for Strategic and International Studies; Jay G. Cohen, Duane Morris LLP; Ralph Cossa, Pacific Forum, Center for Strategic and International Studies; Steve Costello, ProGlobal Consulting; Patrick DeGategno, Atlantic Council of the United States
States; William Drennan, US Air Force (Ret.); Gordon Flake, The Mansfield Foundation; Banning Garrett, Institute for Sino-American International Dialogue, University of Denver; Brad Glosserman, Pacific Forum, Center for Strategic and International Studies; Michael Green, Center for Strategic and International Studies, Georgetown University; Elisa D. Harris, Center for International and Security Studies, University of Maryland; Selig Harrison, Center for International Policy; Ambassador Thomas Hubbard, Kissinger McLarty Associates, former US Ambassador to Korea; Frank Jannuzi, Council on Foreign Relations, Senate Foreign Relations Committee; David C. Kang, Dartmouth College; Frederick Kempe, Atlantic Council of the United States; Franklin Kramer, Atlantic Council of the United States; Jan Lodal, Atlantic Council of the United States; Admiral Eric McVadon, (US Navy, Ret.), Institute for Foreign Policy Analysis; Richard Nelson, Atlantic Council of the United States; Marcus Noland, Peterson Institute for International Economics, Yale University; Donald Oberdorfer, SAIS, The Johns Hopkins University; Katy Oh, Institute for Defense Analyses; Aloysius O’Neill, Former foreign service officer; W. DeVier Pierson, Hunton & Williams; Daniel Poneman, The Scowcroft Group; Scott Rembrandt, Korea Economic Institute; Alan Romberg, The Henry L. Stimson Center; Michael Schiffer, The Stanley Foundation; General Robert W. Sennewald, US Army (Ret.), former Commander in Chief, US Forces Korea; Leon Sigal, The Social Science Research Center; Anne-Marie Slaughter, Woodrow Wilson School of Public & International Affairs, Princeton University; Helmut Sonnenfeldt, The Brookings Institution; Paul Stares, US Institute of Peace; David I. Steinberg, Georgetown University; James Steinberg, Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin; David Straub, SAIS, The Johns Hopkins University; Robert Sutter, Georgetown University