

Testing the U.S.-Japan and U.S.-ROK Security Alliances

Tabletop Exercise Pacific Trident II

October 16-18, 2018 | Suffolk, Virginia

Michael McDevitt



SASAKAWA USA

Sasakawa USA is dedicated to strengthening U.S.-Japan relations through education, programs, and research.

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Executive Summary

On October 16-18, 2018, Sasakawa USA held an unclassified tabletop exercise (TTX) with experienced Japanese, South Korean, and American policy, defense, intelligence, and military experts. The TTX explored trilateral responses to the Democratic People's Republic of Korea (DPRK-North Korea) illicit economic activity in violation of United Nations (UN) sanctions, DPRK proactive diplomacy and efforts to drive wedges between other countries, and internal unrest in the DPRK.

The TTX involved seven different teams—the United States, Japan, the Republic of Korea (ROK-South Korea), China, Russia, the United Nations, and the DPRK. All teams were instructed to reflect the policies and decision making of the current governments of their countries. The scenario for the TTX was set in mid-2019, six months in the future, so most of the developments were projections of current, real world events. They revolved around Pyongyang seeking sanctions relief, consolidation of its nuclear status, and, above all, regime security.

Day One Scenario

North Korea, running out of hard currency reserves, engaged in diplomatic efforts to obtain sanctions relief for steps toward denuclearization, even as it expanded sanctions evasion activities, proliferation of missile and chemical weapon technology for cash, and cybercrimes. North Korea also sought help in joining international economic organizations. The United States, South Korea, Japan, China, and Russia each reacted to these actions. Frustrated by its failure to obtain sanctions relief, the DPRK conducted missile tests and a nuclear command and control exercise. These actions, in turn, elicited a strong reaction from the United States, Japan, ROK, and to a lesser extent, China and Russia.

Key Findings for Day One Scenario

Trilateral coordination was challenging, but essential. DPRK efforts to tempt Tokyo and Seoul in bilateral deals were ultimately thwarted by extensive trilateral coordination. The three countries' decision to include the Chairpersons of the Joint Chiefs of Staff (CJCS) into trilateral 3+3+3 meetings enhanced civilian understanding of the consequences of military actions and facilitated trilateral coordination to interdict DPRK ships engaged in sanctions evasion activities. Trilateral diplomatic cooperation in multilateral institutions like the UN was critical to implement sanctions enforcement, and Japan can play a larger role in these organizations.

Kim Jong Un's proactive diplomacy has changed the security environment. The emergence of Kim Jong Un as a "globe-trotting summiteer" introduced a major new factor in TTX play. It complicated trilateral coordination for both Seoul and Washington because Seoul's interests with North Korea have become much broader (peaceful coexistence) than Washington's focus on denuclearization as the preeminent policy issue. Moreover, for Tokyo, the absence of direct leader-level diplomacy with Kim Jong Un has left Japan almost completely out of the picture. During the TTX, Tokyo depended on Washington (and to a lesser extent Seoul and Beijing) to keep it informed of high-level decisions and deals.

DPRK diplomacy was more successful than pressure tactics. The DPRK team moved confidently to make a series of diplomatic moves—including direct communications to President Donald Trump and President Moon Jae-in—all designed to achieve improvements in the DPRK's status, gain economic assistance, and distract other countries from its illegal activities. The North Korean bilateral diplomatic gambits were relatively successful in slowing and weakening trilateral cooperation. Although, in the end, the moves did not succeed, they did interfere with unified enforcement of sanctions, and in some cases introduced friction in allied trilateral coordination. When North Korea attempted to increase "pressure" by restarting missile tests, this action instead solidified the resolve of allies to push back.

Japan increased its participation in regional discussions through proactive diplomacy. The Japan team sometimes felt left out of discussions, particularly on nuclear and missile policy issues. This problem was exacerbated when Japan focused on abduction issues to the exclusion of other important interests like North Korea's nuclear and missile programs. Japan became a more active participant in the exercise when it took a more proactive stance, for example, in offering Japanese help in disposing of DPRK plutonium or offering ideas on anti-submarine warfare cooperation.

Seoul-Tokyo relations limited trilateral policy effectiveness. The absence of a genuinely trusting relationship between Tokyo and Seoul impacted trilateral approaches. Japan was willing to share information with the ROK, but the interactions were mainly passive (communicating each other's actions/goals rather than a discussion on coordinated courses of action). Japan and South Korea found it easier to coordinate in trilateral (with the United States) rather than bilateral settings. This impeded their ability to work together in concert.

United States' consultations with China and Russia were challenging, but worthwhile. Initially these consultations were not very fruitful. Russia and China both spent most of their time defending DPRK actions, especially in the denial of DPRK proliferation activities and urging acceptance of "cap and freeze" idea. However, when Moscow and Beijing realized the depth of Washington's concerns about the proliferation issue, they pressured Pyongyang privately to stop.

The ROK faced difficult choices in managing relations with the United States as it sought to enhance relations with the DPRK. Korean decision makers were in a difficult position. On the one hand, they very much wanted to sustain and support the spirit of the two inter-Korean summits and put North-South relations on a stable basis. On the other hand, they did not want to take any action that would put the U.S.-ROK security relationship in jeopardy.

Day Two Scenario

A major typhoon severely damaged DPRK infrastructure and led to massive flooding, creating a humanitarian crisis. China moved troops near the border to stem any possible refugee flows, but this created suspicion about Chinese intentions in Seoul, Tokyo, and Washington. Seoul, Tokyo, Beijing, Moscow, and Washington all offered humanitarian assistance. After some diplomatic maneuvering, South Korea became chair of the Donors Committee at the United Nations to coordinate this assistance. North Korea attempted to use this humanitarian crisis to obtain additional sanctions relief and to entice South Korea into bilateral economic agreements. Reports of labor unrest and a military mutiny raised concern about regime stability in North Korea. This mutiny was misinterpreted as a coup attempt, leading the United States and ROK to review and update military plans for the collapse. The United States and ROK shared concerns about possible Chinese intervention but understood that they could do little in the short term if China decided to intervene. As the game ended, China became concerned about Chinese citizens who were stranded inside North Korea and began plans for intervention.

Key Findings for Day Two Scenario

Trilateral coordination was important. The trilateral alliance consultation, coordination, and cooperation of the United States, Japan, and South Korea ensured that North Korea's short-term successes did not achieve long-term advantage. Although the DPRK team could sow confusion and distrust, leading to a great deal of difficult bilateral and multilateral consultation, in the end the alliances held and the DPRK was not able to generate major splits.

Regional powers preferred the known to the unknown which worked to the DPRK's advantage. Amidst signs of political instability in the DPRK, all the regional powers appeared to prefer a Kim Jong Un regime that was in control of its nuclear weapons to the unknown of a possible regime collapse.

DPRK progressed in winning tacit acceptance as a nuclear state. At the end of the exercise, Kim Jong Un concluded that the United States, ROK, China, and Japan all appeared to prefer a nuclear-armed DPRK that was stable, even under his regime and in control of the internal situation, to other alternatives. At the end of the TTX scenario, the Kim regime assessed that the DPRK had weathered several months' worth of severe difficulty successfully. The regime was still solidly in place and generous shipments of humanitarian aid solved, for the near term, its hard currency crunch and food shortages. Its territorial integrity was not permanently damaged, Kim Jong Un's relationship with Moon and Trump seemed secure, and its nuclear weapons deterrent had improved thanks to a successful submarine-launched ballistic missile (SLBM) test. Most importantly of all, the series of crises seemed to have revealed a weakness in the resolve of the other five states regarding their collective position on a complete denuclearization. Their actions seemed to

Pyongyang to signal a growing tolerance for a nuclear-armed North Korean state.

DPRK weakness limited its ability to shape the regional security and economic environment. However, the DPRK team's satisfaction at the end of TTX play was in truth misplaced. In this exercise the DPRK failed to achieve its principal objective—sanctions relief. While the post-typhoon humanitarian aid provided short term relief, sanctions had not been eased and in fact had been toughened. Further, no serious progress had been made in gaining membership in international economic institutions. The longer term situation had not improved and Pyongyang's decision to engage in further missile tests allowed Washington to mobilize multilateral support behind sanctions continuation.

United Nations played a central role. The United Nations provided an important venue to coordinate U.S., ROK, Japanese, Chinese, and Russian humanitarian assistance efforts. The UN also played a central role in coordinating the international response to the DPRK's request to join international economic organizations.

Trilateral signaling was important. The allies need to be careful to avoid signaling an acceptance of the DPRK as a nuclear state. At the end of the exercise, the DPRK team thought that it had made progress in obtaining tacit acceptance by the United States, South Korea, and Japan for the DPRK as a nuclear-armed state since they had not raised the issue in their many communications with North Korea.

Geography matters. In a number of instances, anxiety in Seoul and Washington regarding Chinese intervention led both capitals to issue clear statements that People's Liberation Army (PLA) intervention was deemed unacceptable, and implied that the two allies would use force to prevent Chinese control of North Korea. The reality is that China is the dominant military power along the DPRK-China border, and there is little the United States and the ROK could do to actually stop it if China decided to move south in significant numbers.

Japan must improve its intelligence function. Japan's lack of information on developments in North Korea also complicated Japan's decision making process. This shortcoming highlights a need to either improve its own intelligence collection capabilities focused on the DPRK or work harder to establish closer linkages with intelligence services in the ROK and United States.

ROK faced dual challenge of DPRK instability. From Seoul's perspective, instability in North Korea presented dual challenges: on the one hand it opened the prospect of reunification, but on the other hand, DPRK instability created an incentive for Chinese, and possibly Russian intervention. In the TTX, Seoul's focus was on helping Kim Jong Un stabilize the situation while dissuading the Chinese from moving south.

China-DPRK relations were tenuous. The DPRK team did not trust China and was disappointed by its tepid support for their diplomacy. China in turn did not trust the Kim regime and thought that it was making mistakes that undermined Chinese interests.

China-Russia strategic interests not always aligned. Russia and China both preferred to maintain the status quo with a de facto “buffer” on the peninsula, but China also sought to limit Russian influence on the peninsula. Moscow was constantly frustrated in its attempts to closely “align” Russian and Chinese activities during this TTX.

Possibility of proactive Chinese actions. The China team’s quick military actions once the instability started to unfold reflected the more aggressive policies of President Xi Jinping. China under President Xi was more eager, more prepared, and more likely to dispatch PLA earlier than other countries might expect. The Chinese team was not concerned about U.S. opposition to these actions.

The welfare of Chinese nationals in the DPRK influenced Chinese decision making. Many of China’s actions which appeared overly aggressive to the ROK and others were influenced or rationalized by concerns over the welfare of Chinese nationals inside the DPRK. But Beijing was also very concerned about the security of nuclear weapons and toyed with the idea of gaining territorial concessions around the Rason area of the DPRK in order to provide direct access to the Sea of Japan/East Sea for its rust-belt provinces in northeastern China.

DPRK decisions on use of weapons of mass destruction. At home, Kim Jong Un was ruthless. He ordered the deaths of all the soldiers in the renegade 24th Division, and he even seriously considered the use of a nuclear weapon or chemical weapons to accomplish that objective.

Recommendations

- 1. Prepare for success.** As the exercise demonstrated, if economic hardship does force North Korea to take action, it is not likely to agree to denuclearize and reform its economy. The actions will more likely resemble the North Korean play in this tabletop exercise—political initiatives to cause frictions among other countries, provocations as well as phony concessions, and strong internal security measures. The United States, Japan, and the ROK should consult to prepare coordinated policies and actions to deal with these likely developments. The policies must include agreement on the continuation of sanctions, the conditions for any changes, and agreement on a set of priorities for North Korea that include the interests of all three countries and that all three support. This coordination should explore contingencies for exploiting North Korea's economic needs to gain concessions on denuclearization or other issues.
 - 2. Improve bilateral and trilateral contingency planning.** Japan was surprised by and not prepared initially to respond to concerns over instability in the DPRK. It would be more prepared if Japan were brought into U.S.-ROK contingency planning. Whereas trilateral coordination was central to day one coordination, the series of potentially destabilizing events in the DPRK resulted in more focused U.S. bilateral engagement with South Korea. The lack of a trilateral contingency planning mechanism made it difficult to coordinate these actions with Japan.
 - 3. Improve Japan's influence.** Japan needs to find ways to extend its influence with the United States and the ROK to play a more important role in negotiations and actions with North Korea. At a minimum, based on its revised interpretation of collective self-defense, Japan can increase the military role it plays in the event of confrontation or conflict with North Korea. In addition, it can move to a more central role in sanctions enforcement and can expand its concerns with denuclearization beyond dealing only with the threat to Japan.
 - 4. Engage China and Russia on North Korea instability issues.** As the game demonstrated, China and Russia have their own objectives towards North Korea. Maintaining stability within North Korea is important to them, denuclearization ranks low on their priorities, and each has specific issues along their borders with North Korea. In addition, both have current grievances and rivalries with the United States that will affect their cooperation with American objectives towards North Korea. The United States, Japan, and the ROK need to engage in intensive dialogue with both countries to understand their priorities and to decide how these priorities can be affected by leverage in other areas of the relationship.
 - 5. Prepare additional sanctions and tighten enforcement.** Using the United Nations process, the United States, Japan, and the ROK should prepare additional sets of sanctions to close the current loopholes in transactions between DPRK and Chinese businesses, and DPRK and Russian businesses. When DPRK actions provide a justification, gain approval for these new sanctions. In the meantime, crack down on the evasion of current sanctions through falsified business records, at-sea import transfers, and other
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techniques. Without effective and sustained sanctions, there is no pressure on North Korea to make real concessions. Even with this pressure, it is unlikely that North Korea will give up all its objectives in retaining its nuclear deterrent and in gaining recognized nuclear status.

- 6. Plan for North Korean weapons of mass destruction (WMD) use inside its borders.** In contingency planning for conflict with North Korea, consider the possibility that North Korea will use WMD not in attacks outside its borders, but inside its borders, to stop counterattacks by the Combined Forces Command.

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Introduction

United States of America



Population: 323 million
Active military: 1.3 million

Japan



Population: 127 million
Active military: 248,500

Republic of Korea



Population: 51 million
Active military: 627,000

People's Republic of China



Population: 1.4 billion
Active military: 915,000

Russia



Population: 144 million
Active military: 1 million

Democratic People's Republic of Korea



Population: 25.1 million
Active military: 945,000

Exercise Pacific Trident II was the second Sasakawa USA tabletop exercise (TTX) exploring trilateral cooperation mechanisms between the United States, Japan, and South Korea in the context of a crisis in North Korea. The first TTX considered policy, diplomatic, and military responses by the United States, Japan, and South Korea to serious incidents and the Democratic People's Republic of Korea (DPRK-North Korea) provocations that took place mainly in the Sea of Japan/East Sea involving the DPRK. It included significant military play. (The report of this exercise can be found at <https://spfusa.org/research/tabletop-exercise-pacific-trident>.)

In contrast, this TTX was heavily oriented on diplomatic and policy interactions and included experienced Japanese, South Korean, and American policy, defense, intelligence, and security officials playing in seven separate teams representing the United States, Japan, the Republic of Korea (ROK), China, Russia, the DPRK, and the United Nations (UN). A White Cell orchestrated the entire two-and-a-half-day effort. The exercise was conducted October 16-18, 2018 at Lockheed Martin Center for Innovation in Suffolk, Virginia, also known as the "Lighthouse." The Center's expert staff and sophisticated facility were essential to the successful completion of a very complex TTX. Without the dedicated help of Lockheed Martin's Lighthouse team, this TTX would not have been possible.

Exercise Pacific Trident II explored trilateral responses to DPRK illicit economic activity in violation of UN sanctions, DPRK proactive diplomacy and efforts to drive wedges between other countries, and internal unrest in the DPRK. The scenario for the TTX was set in mid-2019, six months in the future, so most of the developments were projections of current, real world events. They revolved around Pyongyang seeking sanctions relief, consolidation of its nuclear status, and, above all, regime security.

TTX Objectives

The TTX was developed to meet the following objectives:

1. To explore policy, diplomatic, economic, and military responses by the United States, Japan, and the ROK to DPRK illicit economic activities, diplomatic efforts to divide the allies, unexpected natural disasters, and signs of internal instability.
2. To explore consultations, coordination, and communications among the United States, Japan, and the ROK that are necessary for the preparation and execution of effective responses to DPRK actions that threaten shared interests.

Day One Scenario and Game Play

Day One Backdrop: Setting the Scene for Game Play

The DPRK, faced with depletion of foreign currency reserves, began a furious round of sanctions evasion, masked by a flurry of diplomatic activity designed to distract, paralyze, and divide. Its main objective was sanctions relief.

It argued it had in good faith carried out all the international obligations it had promised, yet despite this Washington refused to budge on the issue of sanctions and overall economic pressure. Pyongyang also made clear its goal to join the international community. To that end, it submitted formal applications for memberships in the International Monetary Fund, the World Bank, and World Trade Organization. It made unilateral proposals to all the other countries, attempting to strike agreements that would meet North Korean objectives, and at the same time weaken the unity of its opposition:

—With the United States: Offered “cap and freeze” —cap of its missiles, and freeze of its manufacture of nuclear materials—in exchange for lifting all sanctions. The DPRK also suggested it would be willing to permit International Atomic Energy Agency (IAEA) inspections into its “secret sites.” Pyongyang also informed the Secretary of State that it had a workable nuclear command and control system that could withstand a U.S. first strike and still conduct a retaliatory strike on the United States. The U.S. team was uncertain if this claim regarding hardened command and control was credible or not.

U.S. focus on stopping proliferation delayed consideration of the DPRK “cap and freeze” proposal. It was eventually turned down as proposed, but in a way that left the door open to some variation of the proposal. The ROK Foreign Minister did inform the United States that the ROK government was willing to support “cap and freeze.”

—With the ROK: Requested assistance at the United Nations to join the World Trade Organization, International Monetary Fund, and World Bank, and proposed to start a North-South railway project. North Korea requested a US\$100M advance on the railroad project which was turned down by the ROK team. The Moon administration conveyed an understanding attitude with Kim Jong Un regarding the need for sanctions relief.

—With Japan: Offered to discuss the abductee issue and provide detailed information in exchange for money. The DPRK also indicated a willingness to discuss the medium range missile threat to Japan, a primary Japanese security concern. Japan was willing to conduct bilateral talks with the DPRK on these issues with the promise to keep Washington and Seoul informed.

—With China: Sought to obtain Chinese understanding of its current situation and help with lifting sanctions. The DPRK denied proliferation rumors, offered China a summit meeting, and discussed and gained support for its “cap and freeze” proposal to United States. The DPRK also suggested it might be willing to give up its chemical weapons and join the Chemical Weapons Convention and asked for Chinese and Russian help to dispose its chemical weapons stockpile.

China decided to support the “cap and freeze” proposal. Due to the pace of game play, the offer to join the Chemical Weapons Convention never gained traction with China and Russia, although both were receptive to the proposal.

—*With Russia: Claimed it was considering giving up chemical weapons (with Russian and Chinese assistance) and denied proliferation rumors.* Russia did not believe this denial and demarched Pyongyang that the “highest level” of the Russian government wanted the DPRK to stop proliferation to Syria, which was negatively impacting Russian interests in the region.



Exercise Pacific Trident II was held October 16-18, 2018, at Lockheed Martin Center for Innovation in Suffolk, Virginia, also known as the “Lighthouse.” Photo Credit: Lockheed Martin | Ben Osborn

Other initial scenario factors

Preparations continued for the major Foal Eagle exercise, an annual combined field training exercise conducted by the U.S. and ROK Armed Forces, although no decision had been made by United States or South Korean leadership on whether to go ahead with it. While the real world 2018 Singapore summit between U.S. President Donald Trump and North Korean leader Kim Jong Un led to a halt in joint U.S.-ROK exercises, during the game, the United States Chairman of the Joint Chiefs of Staff (CJCS) considered the exercise essential to maintain alliance effectiveness.

DPRK was desperately short of hard currency. Although other teams were unaware, Pyongyang was desperately short of hard currency and had only a nine-month hard currency reserve. It increased its sanctions evasion activities in an attempt to fix this problem, including blatant fuel transfers at sea and cybercrime activities such as the theft of US\$500M from a Singaporean bank and the creation of DPRK on-line “game apps.” In the West, these activities were perceived as the DPRK up to its usual bad-behavior in the cyber-domain and did not signal that it was short of cash. As a result, none of the teams sought to leverage this DPRK weakness.

Political pressure on Trump administration. Finally, the Trump administration was coming under criticism from Congress and the U.S. media for the lack of progress on its stated goal of denuclearizing the Korean peninsula.

Significant Events that Shaped the Course of Play

DPRK proliferation to Iran and Syria. Shortly after game play started, Washington, Moscow, and Beijing became aware that the DPRK had restarted its proliferation activity with Iran, Syria, and Egypt. Specifically, North Korea agreed to provide advanced missile technology and limited nuclear technology to Iran in exchange for oil and hard currency; sold chemical weapons technology and conventional weapons to Syria, and; sold missile and conventional weapons technology to Egypt.

- Only the U.S., Russian, and Chinese teams received this information since they are assumed to have the appropriate intelligence capability to detect these activities. The United States quickly shared the information with the Japanese and ROK teams.
- Initially, the Chinese reaction to DPRK proliferation activity was low key and it failed to challenge Pyongyang's denial of the allegations. Beijing became much more concerned about the proliferation issue and began to pressure Pyongyang to stop only after it realized how important this issue was to Washington.
- On the other hand, the intelligence on proliferation caused a major reaction in Washington and played a decisive role in how Washington reacted to Pyongyang's demands for sanctions relief and access to international financial institutions. Washington's sensitivity to proliferation in the Middle East surprised the DPRK because similar activity in the past had not triggered such a strong reaction.

Japan took the initiative on nuclear talks with the DPRK. Taking advantage of the momentum created by the humanitarian crisis in the DPRK, Japan opened a conversation with the country by proposing to buy the North Korean plutonium. Japan recognized the opportunity to step in, but also realized this would be a very bold initiative in real life with Japan in a unique position as the only country in the region that has the capability to reprocess plutonium.

- When Kim Jong Un asked Japan for a price, Japan responded it would need some time to come up with a number. As soon as the North Korean delegation left, Japan cheered. This became a turning point for Japan to play a more active role in engaging directly with the DPRK.

The United States reacted strongly to DPRK's aggressive actions. The U.S. Ambassador to the UN made a major speech to the United Nations Security Council (UNSC), presenting strong evidence of DPRK proliferation of weapons of mass destruction and missile technologies and conventional weapons to Iran, Egypt, and Syria, condemning the activity; presenting strong evidence of DPRK criminal cyber activities to obtain foreign currencies by illegal means and calling for strong defensive measures by affected countries and commercial entities; warning the DPRK that conducting illegal intercontinental ballistic missile (ICBM) tests and space launches under the guise of peaceful space development would not be tolerated; and calling for increased sanctions and stricter enforcement by all UN member nations given these blatant violations of UN resolutions.

- Privately, Washington informed Beijing, Seoul, and Tokyo that it was preparing unilateral actions to physically interdict DPRK ships with suspected materials bound for Egypt, Syria, and Iran.

A decision is made on U.S.-ROK joint exercises. Separately, under pressure from Seoul, the U.S. and ROK governments announced that traditionally recurring exercises such as Foal Eagle and Ulchi Focus Lens would continue as planned, but invited the DPRK to send senior officer observers to the exercises.

Kim Jong Un sent a personal letter to President Trump promoting the “cap and freeze” plan. He thanked Trump for his continued friendship and his work improving U.S.-DPRK relations, and asserted his commitment to denuclearization on the Korean peninsula. He also shared a proposal for shutting down the nuclear facilities at Yongbyon and offered a summit meeting to discuss reciprocal measures by the United States. President Trump replied to the letter, saying he would meet only when North Korean proliferation and cyber actions had stopped.

DPRK launched a short range ballistic missile into Japan’s exclusive economic zone (EEZ). Impatient with the lack of progress on its demands for sanctions relief, North Korea fired a submarine-launched ballistic missile (SLBM) from the Sea of Japan/East Sea. The missile flew a lofted trajectory and landed just inside Japan’s EEZ. It also tested three short range cruise missiles. North Korea announced these missile tests publicly. The tests were intended to remind the rest of the world of North Korea’s military capabilities.

- Japan detected the launch and issued orders to its missile defense system to destroy the missile if its trajectory imperiled Japan.
- The immediate response by Japan and the United States was to organize an anti-submarine warfare (ASW) exercise in the Sea of Japan/East Sea. The ROK decided to participate as an observer. The People’s Liberation Army Navy (PLAN) was invited to participate, but not the Russians, and Beijing accepted.

The UN Security Council (UNSC) reacted (no abstentions) to the DPRK missile launch. The Security Council condemned the SLBM from the DPRK and demanded the DPRK cease all such activities. It also demanded that the DPRK comply fully with all other obligations under relevant Security Council resolutions, and reiterated the importance of maintaining peace and security on the Korean peninsula and in Northeast Asia at large.

The DPRK Strategic Force held a major exercise. At roughly the same time, DPRK’s Korean Central News Agency (KCNA) reported that Kim Jong Un observed a major exercise of the entire DPRK Strategic Force. This was the first of its kind and included the integrated command and control exercise of the Strategic Force, as well as field training for actual launches of the full range of capabilities of this Strategic Force. Kim Jong Un observed the entire launch procedure.

- Kim Jong Un reportedly said, “This exercise is a just exercise of our sovereign right to self-defense. The DPRK remains committed to its promise to refrain from nuclear tests and ICBM launches, and to work with the interested parties to promote the denuclearization of the Korean peninsula.”

Day One Game Play Insights

Overall

Trilateral coordination was essential. North Korea's tailored individual approaches to the five other countries successfully complicated, slowed, and diminished consultation, coordination, and cooperation among the United States, Japan, and the Republic of Korea. On the ongoing issue of sanctions enforcement, all three countries agreed on the importance of continuing them, however the United States and Japan were stronger on the issue than the ROK, which preferred economic cooperation to tighter sanctions. The United States was the most concerned of the three countries about North Korean nuclear capability and proliferation. The ROK supported responding to the North Korean "cap and freeze" proposal, but the United States and Japan rejected it. They assessed that they would surrender all economic leverage for quite limited and easily reversible DPRK measures. The United States reacted very strongly to North Korean proliferation to the Middle East, and Japan and the ROK supported the American position. Japan, for its part, reacted positively to the North Korean proposal for further negotiations on abductees, and on limitations to missiles capable of reaching Japan.



U.S. Secretary of Defense James N. Mattis meets with Japan's Minister of Defense Takeshi Iwaya (left) and South Korean Minister of National Defense Jeong Kyeong-doo (right) at the ASEAN Defense Ministers' Meeting, Singapore, Oct. 19, 2018. Photo Credit: DOD | Lisa Ferdinando

After extensive consultations, the three countries reached agreement on a response to North Korea that included continuation of the current sanctions, condemnation of the proliferation activities, and rejection of the “cap and freeze” proposal without shutting the door completely. In addition, the United States and ROK, with strong Japanese concurrence, agreed to conduct a “tailored” Foal Eagle exercise and to invite DPRK observers. However, no country realized that North Korea’s desperate financial situation offered opportunities for gaining concessions on denuclearization or other issues, and no coordinated negotiating position was decided among the three countries with which to approach North Korea. The three countries basically reacted to North Korean initiatives.

Including CJCS in the traditional 2+2 dialogues proved valuable. These 3+3+3 meetings enhanced trilateral cooperation and communications. This arrangement enhanced civilian understanding of the consequences of military actions and facilitated trilateral coordination to interdict DPRK ships engaged in sanctions evasion activities. In a fast-moving situation, the United States, Japan, and the ROK were able to agree quickly on trilateral or coordinated military components of the response to the DPRK, and this put all three countries in a stronger position when they dealt with China, Russia, the UNSC, and the DPRK.

Trilateral cooperation in international institutions was essential. The DPRK proposal to join international financial institutions (IFI) was intended to gain increased diplomatic recognition for North Korea and possible economic assistance. With the United States, Japan, and ROK, it brought economic ministries into the policy discussions on handling North Korea and created interesting tradeoffs. The DPRK approach created a demand signal for a whole of government approach and presented new opportunities for the United States, Japan, and the ROK. In particular, Japan, as a major IFI shareholder, could play a more important role in this conversation than in discussions on nuclear issues. The game did not play out the issue to determine if the allies could gain substantive concessions from North Korea in return for organization membership.

Kim Jong Un’s proactive diplomacy has changed the security environment. The emergence of Kim Jong Un as a “globe-trotting summiteer” introduced a major new factor in TTX play. It complicated trilateral coordination for both Seoul and Washington because Seoul’s interests with North Korea have become much broader (peaceful coexistence) than Washington’s focus on denuclearization as the preeminent policy issue. Moreover, for Tokyo, the absence of direct leader-level diplomacy with Kim Jong Un has left Japan almost completely out of the picture. During the TTX, Tokyo depended on Washington (and to a lesser extent Seoul and Beijing) to keep it informed of high-level decisions and deals.

United States

U.S. attempts at direct diplomacy with the DPRK were only modestly successful. Washington wanted to maintain direct links with North Korea, and dispatched a U.S. State Department official to the DPRK to make the following points: the United States (1) rejects the DPRK “cap and freeze” proposal, (2) considers nuclear proliferation a big issue, (3) intends to return to military activities with the ROK as a result of the proliferation, (4) hopes DPRK is not considering a space launch because Washington will consider it as a long range ballistic missile test as per UN guidelines, and, that (5) President Trump would like to meet with Kim Jong Un but only when cybercrime activities and proliferation are stopped.

U.S. consultations with China and Russia were important. These consultations were initially not fruitful. Russia and China both spent most of time defending the DPRK actions such as denying DPRK proliferation activities and urging acceptance of the “cap and freeze” idea. However, when both realized how serious Washington was about the proliferation issue, they pressured Pyongyang privately to stop.

Japan

Proactive Japanese diplomacy enhanced Japan's influence. Japan constantly worried the U.S.-ROK-DPRK dialogues would bypass Japan and neglect Japanese interests. Tokyo resented being briefed after decisions or unilateral approaches had been made, rather than being given an opportunity to participate in trilateral decision making. On the other hand, in the coordination meetings their main contribution was to insist on the inclusion of medium range missiles and abduction issues in any approach to the DPRK. Japan was able to propose several creative ideas, including ASW exercises as a response to the North Korean SLBM test and the offer to reprocess North Korean plutonium, but its lack of leverage over the DPRK limited its influence in trilateral decision making.

Japan's focus on abductees reduced its influence on nuclear and missile issues.

Japan was concerned about the proliferation issue but wanted any trilateral response to the DPRK to also include abductions and medium range missiles. The Japanese insistence on addressing these issues as a package was one reason why trilateral coordination proved so laborious. Tokyo responded to the DPRK's initiative for a separate negotiation on abductees, but rejected Pyongyang's demand for US\$20B. Pyongyang responded by informing Japan that the nuclear issue was between itself and Washington, and bilateral negotiations wound down.

Japan-ROK information sharing needed improvement. Japan was willing to share information with the ROK, but the interactions were informative rather than seeking to coordinate a course of action. The Japan Self Defense Force leaders and planners, on the other hand, were ready and able to cooperate actively with their ROK counterparts.

Republic of Korea

The ROK faced difficult choices in managing relations with the United States as it sought to enhance relations with the DPRK. Korean decision makers were in a difficult position. On the one hand, they very much wanted to sustain and support the spirit of the two inter-Korean summits and put North-South relations on a stable basis. On the other hand, they did not want to take any action that would put the U.S.-ROK security relationship in jeopardy. The ROK had a major policy difference with the United States and Japan about the most effective approach to North Korea—it favored modifying sanctions to allow for specific economic cooperation projects. In trilateral discussions, Seoul could sympathize with Pyongyang's expectation of some sanctions relief, but in the end the ROK supported a strong multilateral response both to unilateral North Korean overtures and to provocations. Seoul alone among its trilateral colleagues saw value in military-to-military dialogue with North Korea. For example, it initiated the idea of resuming major exercises, but on a “tailored” basis.

China

Chinese actions were influenced by short-term and long-term objectives.

China sought to play a two-level game: retain influence over North Korea and secure its border with the DPRK, while also positioning itself for long-term competition with the United States. China did believe that a DPRK freeze on missile launches and nuclear tests warranted some/partial easing of sanctions, hence China was more sympathetic to DPRK behavior. China saw DPRK-ROK rapprochement as a way to achieve U.S. withdrawal from the Korean peninsula and the dissolution of the U.S.-ROK Alliance. Its support for the formal ending of the Korean War, denuclearization of North Korea, and unification of the Korean peninsula were all steps towards that goal.

China-Russia differences complicated their bilateral relations. Beijing kept Moscow at arm's length, despite Russia's support for China's goals of reducing American influence and presence on the Korean peninsula. In Beijing's view Moscow contributed little, and China had no desire to provide Russia with an opportunity to gain influence in Pyongyang, or for the DPRK to seek Russian support without consulting China.

Russia

Russia had limited goals; played a spoiler role. Key goals for Russia were to maintain influence with the other countries, and to protect its limited interests in North Korea issues. This led to Russia asserting itself to remind other powers of its significance and ability to influence events. As the events played out, Moscow became very concerned about regime collapse in Pyongyang and the possibility of a unified Korea with American forces on its border. Russia was eager to play a spoiler role against Washington. Knowing sanctions relief was DPRK's most important objective, it was very quick to support sanctions relief for Pyongyang; it was willing to throw them a lifeline. At one point a Russian official let Pyongyang know that the DPRK could "hide" nuclear material on Russian territory.

Other countries failed to appreciate that Russian policy in Asia was affected by interests elsewhere. Moscow was impressed that the DPRK was willing to make chemical weapons' concessions and encouraged Pyongyang not to make unilateral concessions and instead try and trade this capability for sanctions relief. But, DPRK's chemical weapons proliferation in Syria and the U.S. threat to interdict really drew the Russian government's attention because of U.S. threats to use force to punish the Assad government if it used chemical weapons. This interdiction threat raised the prospect of a U.S.-Russian direct armed clash in Syria. As a result, Moscow pressured DPRK to stop proliferation, especially to Syria, but with little success.

North Korea

North Korea was more successful at diplomacy than military threats. The DPRK team moved confidently to make a series of diplomatic moves—including direct communications to President Donald Trump and President Moon Jae-in, all designed to achieve improvements in the DPRK’s status, gain economic assistance, and to distract other countries from its illegal activities. The North Korean bilateral diplomatic gambits were relatively successful in slowing and weakening trilateral cooperation. Although, in the end, the moves did not succeed, they did interfere with unified enforcement of sanctions, and in some cases introduced friction in allied trilateral coordination. In contrast, the DPRK’s missile tests may have been intended to “increase pressure” on the United States, Japan, and the ROK, but in practice, they solidified resolve of all three allies to push back. Pyongyang clearly did not recognize the impact of these tests, especially in combination with its proliferation with Iran/Syria.

DPRK was willing to endure hardship. Although the DPRK team was very concerned about its rapidly depleting foreign reserves, it was prepared to inflict economic hardship on its people again if necessary. Therefore, it was ready to make few concessions on security issues in return for sanctions relief.

DPRK made efforts to obtain acceptance of the DPRK nuclear program. In a telling insight, Pyongyang ended day one of TTX play with the impression that Moscow and Beijing were growing increasingly accustomed to, and supportive of, a DPRK that maintains a nuclear deterrent.

Day Two Scenario and Game Play

Day Two Backdrop: Setting the Scene for Game Play

A major typhoon severely damaged DPRK infrastructure and created a humanitarian crisis. China moved troops near the border to stem any possible refugee flows, but this created suspicion about Chinese intentions in Seoul, Tokyo, and Washington. Seoul, Tokyo, Beijing, Moscow, and Washington all offered humanitarian assistance.

The DPRK also learned that its agent was unable to withdraw dollar-denominated funds from an illicit account in Singapore. Soon thereafter, the United States announced that the U.S. Department of the Treasury, working with the U.S. Department of Justice, identified multiple Singaporean bank accounts held on behalf of sanctioned DPRK entities. Working with Singapore authorities, accounts holding US\$200M of funds were frozen, denying the DPRK access to and use of these monies. This blocked DPRK access to hard currency holdings abroad.



Saipan, Commonwealth of the Northern Mariana Islands, November 15, 2018 – The American Red Cross circulates throughout affected communities to provide relief supplies and comfort to those in need after Super Typhoon Yutu made landfall, damaging hundreds of homes and leaving many residents without shelter, power, food, or access to clean water. Photo Credit: FEMA | Grace Simoneau

Significant Events that Shaped the Course of Play

A major typhoon inflicted significant damage in North Korea's northeast.

A category five typhoon with 155 miles per hour winds struck the Korean peninsula. South Korea, with its superior infrastructure and resources, was able to handle typhoon damage without major casualties. However, in the DPRK, the heavy rainfalls led to catastrophic flooding and mudslides. There were reports of the collapse of an earthen dam, leading to major loss of life in a northern province. Flooding and mudslides led to hundreds of deaths, and more than ten thousand persons were left homeless in North Korea. Major crop damage in the northern provinces promised food shortages the next winter unless the DPRK could increase imports of rice and corn to compensate.

Almost immediately the PRC informed the United States and the ROK that it was moving troops to secure its border with DPRK. This action set off alarm bells in Seoul, Tokyo, and Washington regarding a possible PLA move into North Korea to establish a buffer zone. From this time forward, any People's Republic of China activity was viewed with suspicion by all the other countries, particularly the DPRK. The ROK CJCS recommended heightened readiness status, and U.S. Forces Korea increased its readiness condition. This development also had the effect of heightening trilateral efforts led by the United States to keep China diplomatically isolated in responding to the emergency.

Japan overcame its reluctance to respond to emergencies on Korean Peninsula.

Japan took the unprecedented step of offering to dispatch LSTs (landing ship, tank) and helicopters for delivering Humanitarian Assistance/Disaster Relief (HA/DR). This offer triggered extensive coordination between U.S. and ROK military leaders so that Japan was able to align its policy toward HA/DR operations and, more importantly, contribute an offsetting capability toward preventing China's intervention. The result of Japan's proactive offer was a very good exchange among the three allies regarding Japan's assistance to secure North Korea's nuclear materials in any contingency i.e., safeguarding plutonium. Japan renewed its offer to reprocess North Korean plutonium.

A rush to provide aid focused the attention of all DPRK's nearest neighbors plus the United States. Japan, followed by the ROK, China, and Russia all quickly offered aid. All three of the DPRK's bordering neighbors began to compete to become the principal aid coordinator. After much diplomatic maneuvering, Japan floated a proposal to unscramble the issue of aid coordination by involving the United Nations, with the result that Seoul became the Chair of the Donors Committee. China had offered to establish an aid coordination center, but the United States, Japan, and the ROK distrusted China's motives and supported South Korea as the hub for aid coordination. The World Food Program was asked to assess transportation and other requirements including clean water. All countries involved understood that the humanitarian crisis would require a partial waiver of UNSC sanctions to facilitate aid and recovery.

DPRK capitalized on overwhelmingly positive international aid response.

Pyongyang's short-term economic shortages were more than filled by generous immediate humanitarian relief assistance. Pyongyang remained alert to the efforts of China and Russia to use this crisis as a pretext for an incursion into the DPRK. It attempted to deal with this problem by sealing borders, which also foreclosed Russian and Chinese hopes to be the center of aid relief. Pyongyang tried to use the

typhoon crisis to move forward with the ROK on the economic and infrastructure development projects in the Panmunjom Declaration. The ROK was initially receptive to the idea, but subsequently declined to advance the DPRK money to start a railroad project. The DPRK also planned to cooperate with World Food Program monitors to counteract the traditional image of DPRK cheating on nuclear monitors and inspectors.

- The massive inflow of in-kind assistance exceeded the US\$200M of illicit DPRK funds seized in Singapore banks.

Disorder in North Korea caused different reactions. Pyongyang began to receive reports of increased food shortages and popular dissatisfaction with the regime. A larger number of North Koreans began attempting to cross the borders with China and Russia and by sea to China, the ROK, and Japan.

- Steel workers in Hamhung staged a peaceful demonstration and work slowdown demanding higher wages and better food. This was put down with force.
- A North Korean border unit defected to China and a crowd of civilian refugees rushed the border and were fired on by Chinese border guards.
- The North Korean government throughout the unrest in its northern regions believed that it could handle the disturbances with its security forces. So long as the disturbances did not spread south and to Pyongyang itself, the DPRK government was ready to use as much force as was necessary, including nuclear and chemical weapons, to restore order.
- In contrast, China, South Korea, and the United States all feared that the unrest could grow into a civil war or regime collapse, and took both precautionary measures and actions to deal with that possibility.

A DPRK “mutiny” was misinterpreted by the outside world as the beginning of a coup. A Korean People’s Army (KPA) division in the far north of the DPRK left its garrison and set up a defensive position close to the Chinese and Russian border, demanding better pay and food. Loyal KPA units attacked the renegade division, but after heavy fighting it still survived. Kim Jong Un ordered the use of a nuclear weapon to destroy the mutineers but was dissuaded when informed mountainous terrain would make use of a nuclear weapon on his own people ineffective and the prevailing winds would spread radioactive fallout over China and Russia. He then ordered a plan to use chemical weapons.

- Intelligence organizations in other countries incorrectly informed their governments that the DPRK division was leading a coup attempt and was marching on Pyongyang. Although the intelligence evidence was mixed on the likelihood of these events, the possibility of such developments forced the other countries to take precautionary measures, to consult with each other, and to take some actions.
- The United States and ROK reviewed plans for military intervention in case of collapse in North Korea, including a plan to secure nuclear weapons. They were concerned about large-scale Chinese intervention, but recognized they could do little to stop Chinese intervention in the northern part of the DPRK.

Threat of Chinese intervention. China reacted strongly to the disorder in the northern part of the DPRK, along China's border, and conducted a military raid into the DPRK that increased suspicion of its motives in North Korea and elevated concerns in all the other countries about its ultimate objectives.

- In the wake of the typhoon, there was a good deal of confusion near the DPRK-Chinese border. North Korean civilians and some KPA deserters were fleeing the damage and looking for food and shelter. Chinese intelligence discovered that a small "renegade" cell of North Korean soldiers was encouraging KPA soldiers to defect into China. To put a stop to this activity, China mounted a small PLA special forces raid into the DPRK that successfully killed or captured the renegade DPRK military cell.
- Despite the limited nature of the action and Chinese assurances, the incident further stoked North Korean suspicion of China's motives.
- China explained its military action to the United States, and the United States in turn informed the ROK. The ROK was concerned enough about the action that it encouraged the DPRK to protest the action.
- Beijing learned that Chinese citizens in the Rason Free Economic Zone (also known as the Rajin-Sonbong Economic Special Zone) of North Korea were concerned about their safety and wanted to be evacuated to China. To keep rumors of a coup from spreading, Pyongyang jammed the cell phone towers that Chinese citizens in the Special Zone were using to communicate home. This created an information blackout in China and convinced Beijing it needed to act. It made plans for an armed convoy to enter the DPRK to evacuate Chinese citizens.
- The renegade division established communications with the PLA and requested food.
- Intelligence assessments and messages from North Korea persuaded Washington, Seoul, and Moscow that a coup was not in progress, that Kim Jong Un was in complete control and firmly opposed any intervention. The United States and Russia both strongly warned China against intervention in North Korea.
- As the TTX ended, China ordered the PLA armed truck convoy to set out for the Rason area to provide humanitarian aid and to repatriate its citizens. Left unresolved was whether China would have pursued a plan to secure a permanent presence in the Rajin-Sonbong port area to provide guaranteed access to the Sea of Japan/East Sea.

Day Two Game Play Insights

Overall

Need for more bilateral and trilateral contingency planning. Japan was surprised by and not prepared initially to respond to concerns over instability in the DPRK. It would be more prepared if Japan were brought in to U.S.-ROK contingency planning.

Regional powers preferred the known to the unknown which worked to the DPRK's advantage. During a period of global uncertainty about the signs of political instability in the DPRK, all the regional powers appeared to prefer a Kim Jong Un regime that was in control of its nuclear weapons to the unknown of a possible regime collapse. In policy discussions, all country teams decided that North Korean collapse would be dangerous and should be avoided. Each country would have preferred North Korean concessions on issues such as denuclearization, economic reform, and abductee return, but none could find a way to gain those concessions during a North Korean collapse. In a crisis, a stable Kim regime was the second choice for other country's, but of course, it was the Kim regime's first choice. Therefore, North Korea was able to survive internal economic hardship, to resume military provocations, and to survive crises that it had initiated itself.

Importance of the United Nations. The United Nations provided an important venue to coordinate U.S., ROK, Japanese, Chinese, and Russian policies.

Importance of trilateral signaling. The allies needed to be careful to avoid signaling an acceptance of the DPRK as a nuclear state. At the end of the exercise, the DPRK team thought that it had made progress in obtaining tacit acceptance by the United States, South Korea, and Japan for the DPRK as a nuclear-armed state since they had not raised the issue in their many communications with North Korea.



The aircraft carrier USS Ronald Reagan (CVN 76), left, and the Japanese helicopter destroyer JS Hyuga (DDH 181), right, sail in formation with 16 other ships from the U.S. Navy and Japan Maritime Self-Defense Force (JMSDF) as aircraft from the U.S. Air Force and Japan Air Self-Defense Force fly overhead in formation during Keen Sword 2019. Photo Credit: U.S. Navy | MCS3 Erwin Jacob V. Miciano

Geography matters. In a number of instances, anxiety in Seoul and Washington regarding Chinese intervention led both capitals to issue clear statements that People's Liberation Army (PLA) intervention was deemed unacceptable, and implied that two allies would use force to prevent Chinese control of North Korea. The reality is that China is the dominant military power along the DPRK-China border, and there is little the United States and the ROK could do to actually stop it if China decided to move south in significant numbers.

United States

Trilateral communication was more difficult as crisis built. Whereas trilateral coordination was central to day one coordination, the series of potentially destabilizing events in the DPRK resulted in more focused bilateral engagement with South Korea, both to ensure coordinated military preparations in case of a North Korean collapse and to coordinate efforts to forestall a Chinese foothold in the DPRK. The lack of a trilateral contingency planning mechanism made it difficult to coordinate these actions with Japan. The United States informed the ROK in case of instability the U.S. would secure DPRK nuclear weapons.

Japan

U.S.-Japan Alliance communication mechanism unprepared for North Korea instability issues. Japan was surprised by and not prepared initially to respond to concerns over instability in the DPRK. It would be more prepared if Japan were brought in to U.S.-ROK contingency planning. With no role in contingency planning, Tokyo was dependent on U.S. back briefs to learn about developments. Without serious involvement in plans and communications, Tokyo sensed that previously dominant U.S. goals such as denuclearization had shifted.

Focus on abductees can crowd out other critical issues. The emergence of internal instability in the DPRK highlighted that Tokyo's focus on abduction issues can crowd out views of other important policy options for Japan, such as a broader engagement agenda with the DPRK.

Japan must improve its intelligence function. Japan's lack of information on developments in North Korea also complicated Japan's decision-making process. This shortcoming highlighted a need to either improve its own intelligence collection capabilities focused on the DPRK or work harder to establish closer linkages with intelligence services in the ROK and United States.

Proactive diplomacy enhanced Japan's influence. As the situation in North Korea was becoming more unstable, Pyongyang finally followed up on Japan's offer to reprocess North Korean plutonium. However, as in all its responses to Japanese initiatives, it began sounding Japan out on how much Tokyo would be willing to pay for the plutonium.

Republic of Korea

Dual challenge of DPRK instability. Instability in North Korea presented a dual challenge to the ROK: on the one hand it opened the prospect of reunification and on the other it created an incentive for Chinese, and possibly, Russian intervention. In this case, Seoul assessed that Kim Jong Un was not about to topple, so its focus was on helping Kim Jong Un stabilize the situation while dissuading the Chinese from intervening.

ROK faced difficult “balancing act.” Seoul initially focused on consultation with Pyongyang and Kim Jong Un. It could leverage its information from Pyongyang and its potential influence with Kim Jong Un to support its own objectives. For example, the ROK team informed all the other countries that Kim Jong Un was firmly in control of North Korea despite the reports of unrest. On occasion, the ROK took the lead in multilateral actions towards North Korea, for example, acting as Relief Coordinator for humanitarian operations. Seoul was at the same time careful to remain closely aligned with the United States.

China

Possibility of proactive Chinese actions. Beijing believed that it had a reasonable pretext for military intervention into North Korea on the basis of border security. It was concerned about refugee inflows, public health threats, the welfare of its nationals inside North Korea, and rogue KPA officers. The Chinese team believed that these concerns justified the setup of a border buffer zone on the Korean side of the Yalu river. They further believed that securing nuclear weapons and precluding a collapse that enabled reunification under South Korean domination would make a strong justification to go deeper into DPRK territory.

Despite its conviction that it had a justification for major intervention into North Korea, and seriously exploring the plans to do so, China decided to support the status quo in North Korea. It was concerned about widespread violence in North Korea and about the emergence of a South Korea and U.S.-dominated successor government. It limited its military interventions to a small raid and an armed convoy. The China team’s quick military actions once the instability started to unfold—the raid and the convoy—reflected the more aggressive policies of President Xi Jinping. China under President Xi was more eager, more prepared, and more likely to dispatch PLA earlier than other countries might expect. The Chinese team was not concerned about U.S. opposition to these actions.

The welfare of Chinese nationals in the DPRK influenced Chinese decision-making. Many of China’s actions which appeared overly aggressive to the ROK and others were influenced or rationalized by concerns over the welfare of Chinese nationals inside the DPRK. But Beijing was also very concerned about the security of nuclear weapons and toyed with the idea of gaining territorial concessions around the Rason area of the DPRK in order to provide direct access to the Sea of Japan/East Sea for its rust-belt provinces in northeastern China.

Russia

China-Russia partnership on DPRK had limits. Moscow was frustrated by Beijing. The Russia team thought that China constantly ignored its attempts to coordinate actions. It concluded China was not a reliable partner. Moscow recognized that the DPRK was part of China’s sphere of influence—Russia just expected to be kept informed and consulted. Interestingly, the Russian team thought that the DPRK was more forthcoming and cooperative than China. Although the Russia team considered Japan and the ROK as potential partners for cooperation in advancing Russian interests, they did not have success in turning this idea into action.

North Korea

DPRK made progress in winning tacit acceptance as a nuclear state. At the end of the exercise, Kim Jong Un concluded that the United States, ROK, China, and Japan all appeared to prefer a nuclear-armed DPRK that was stable, even under his regime, and in control of the internal situation to other alternatives. At the end of the TTX scenario, the Kim regime assessed that the DPRK had weathered several months' worth of severe difficulty successfully. The regime was still solidly in place and generous shipments of humanitarian aid had solved, for the near term, its hard currency crunch and food shortages. Its territorial integrity was not permanently damaged, Kim Jong Un's relationship with Moon and Trump seemed secure, and its nuclear weapons deterrent had improved thanks to a successful SLBM test. Most importantly, the series of crises seems to have revealed a weakness in the resolve of the other five states regarding their collective position on a complete denuclearization. Their actions seemed to Pyongyang to signal a growing tolerance for a nuclear armed North Korea.

DPRK weakness limited its ability to shape the regional security and economic environment. However, the DPRK team's satisfaction at the end of TTX play was in truth misplaced. In this exercise the DPRK failed to achieve its principal objective—sanctions relief. While the post-typhoon humanitarian aid provided short term relief, sanctions had not been eased and, in fact, had been toughened. Further, no serious progress had been made in gaining membership in international economic institutions. The longer-term situation had not improved and Pyongyang's decision to engage in further missile tests allowed Washington to mobilize multilateral support behind sanctions continuation.

China-DPRK relations were tenuous. The DPRK team did not trust China and was suspicious of its intentions. The DPRK thought it had been betrayed when China sent PLA forces into North Korea on a limited action.

DPRK decisions on use of weapons of mass destruction. At home, Kim Jong Un was ruthless. He ordered the deaths of all the soldiers in the renegade 24th Division, and he even seriously considered the use of a nuclear weapon or chemical weapons to accomplish that objective.

Overall TTX Key Findings and Recommendations

Findings

- 1. Current trilateral policies fragile.** The United States, the ROK, and Japan's current coordinated approach towards the DPRK is to maintain modest economic pressure on the DPRK, while pursuing through diplomacy a mixed set of diplomatic objectives—denuclearization, cooperative economic projects, and settling the abductee issue. This current approach was under great strain in the exercise when North Korea initiated a set of aggressive, tailored, unilateral approaches to each of the countries seeking separate understandings and concessions. The United States, the ROK, and Japan considered unilateral responses, and consulted with each other extensively (and with China and Russia) but were unable to determine a policy approach to force real DPRK concessions on any of the core issues. North Korea kept the initiative over the six months of the game scenario. No other country realized that North Korea's desperate financial situation offered opportunities for gaining concessions on denuclearization or other issues, and no coordinated negotiating position was decided among the three countries with which to approach North Korea. The three countries basically reacted to North Korean initiatives.
- 2. The trilateral alliance consultation, coordination, and cooperation of the United States, Japan, and South Korea ensured that North Korea's short-term successes did not achieve long-term advantage.** Although the DPRK team could sow confusion and distrust, leading to a great deal of difficult bilateral and multilateral consultation, in the end the alliances held and the DPRK was not able to generate major splits. After extensive consultations, the three countries reached agreement on a response to North Korea that included continuation of the current sanctions, condemnation of the proliferation activities, and rejection of the "cap and freeze" proposal without shutting the door completely. In addition, the United States and ROK, with strong Japanese concurrence, agreed to conduct a "tailored" Foal Eagle exercise and to invite DPRK observers. While the post-typhoon humanitarian aid provided short term relief, sanctions had not been eased and in fact had been toughened. The DPRK made no serious progress in gaining membership in international economic institutions. As has often been the case in the past, outrageous North Korean behavior helped keep the alliances together. North Korean missile tests and proliferation activity made it easier for all three countries to come up with a coordinated and tough response to North Korean proposals and demands.
- 3. Fragile or not, "trilateralism" is still best option.** This is the second Sasakawa USA-sponsored TTX where trilateral coordination at the 2+2+2 level, or, even better, at the 3+3+3 level that includes senior military participation, was demonstrably the best way to deal with North Korean issues. The personal, unscripted, and idiosyncratic involvement of the heads of government—President Trump, President Moon and Chairman Kim—can complicate the process, but it is still effective.



Lockheed Martin Center for Innovation in Suffolk, Virginia, the “Lighthouse,” provided a sophisticated facility essential to the successful completion of a complex TTX. Photo Credit: Lockheed Martin | Ben Osborn

- 4. Adding the senior military advisor to 2+2+2 venue.** The United States made an important addition to the 2+2+2 approach to trilateral coordination, by suggesting the CJCS from each nation be included in the high-level coordination meetings, making it a 3+3+3. This provided a very useful way for political decision makers from all three countries to be exposed first hand to the military implications and options associated with policies they were considering. In addition, with the United States, Japan, and the ROK able to agree quickly on trilateral or coordinated military components of the response to the DPRK, all three countries were in a stronger position when they dealt with China, Russia, the UNSC, and the DPRK.
- 5. The Kim Jong Un regime can handle unrest.** The North Korean team felt some pressure to gain sanctions relief to support the economic progress that Kim Jong Un had promised publicly in January 2018. However, it was perfectly prepared to use strong, repressive measures to deal with incidents of internal unrest, including worker strikes and a military unit revolt. The economic sanctions were far from enough to cause the North Korean team to consider making substantive concessions in reducing its nuclear and missile programs.
- 6. Other countries seek to avoid, rather than exploit, unrest in the DPRK—stability is every country’s second choice.** The United States, the ROK, Japan, China, and Russia were unable to estimate the significance of the internal unrest in the DPRK—would it be successfully repressed by the Kim regime, or would it spread? They all were forced to consider the possibility of DPRK collapse. They made military and other preparations in case of North Korean collapse, and the China team conducted low level military operations into the DPRK. However, even more important was the effect of potential collapse on their policy choices. In their policy discussions, all the other teams decided that North Korean collapse would be dangerous and should be avoided. Each

country would have preferred North Korean concessions on issues such as denuclearization, economic reform, and abductee return, but none could find a way to gain those concessions during a North Korean collapse. In a crisis, a stable Kim regime was every country's second choice, and naturally it was the Kim regime's first choice. Therefore, North Korea was able to survive internal economic hardship, to resume military provocations, and to survive crises that it had initiated itself.

- 7. Seoul's dilemma.** From Seoul's perspective, instability in North Korea presented dual challenges: on the one hand it opens the prospect of reunification, but on the other hand, DPRK instability creates an incentive for Chinese, and possibly Russian intervention. In the TTX, Seoul's focus was on helping Kim Jong Un stabilize the situation while dissuading the Chinese from moving south. In this case, Seoul was not persuaded that Kim Jong Un's regime was about to topple, so its focus was on helping Kim Jong Un stabilize the situation while dissuading the Chinese from moving south.
- 8. Geography.** The scenario presented incidents of opposition to the Kim regime in the northern region of the DPRK, the region to which it has traditionally exiled its citizens suspected of inadequate loyalty. These incidents led to armed clashes within the DPRK and spillover into China, which reacted aggressively. In this region, China has the most capable and close military forces. In the scenario, China conducted a raid and sent an armed convoy into North Korea. The United States and the Republic of Korea could do little to influence or oppose China's aggressive actions and were reduced to contingency military planning for the southern region of the DPRK.
- 9. Use of WMD by the DPRK.** The North Korean team showed no hesitation in ordering the use of both nuclear and chemical weapons against a rebellious division in the northern part of the country. It reconsidered the order only when it learned that the mountainous terrain would mitigate the weapons effect and that the radioactivity might cross its borders.
- 10. Japan's leverage.** In exercise play, Japan could offer inducements to North Korea—money in return for abductee information and economic concessions, but it had no security leverage—there was nothing it could realistically do or stop doing that would affect North Korea's security interests. In addition, its concentration on the abductee issue reduced its influence on other North Korean issues important to Japan. This reality meant that Japan's interests did not play a central role among the other five countries in their dealings with North Korea, and the Japanese team was frustrated. The United States team was careful to keep Japan informed of its dealings with North Korea and other countries, but Japan had little ability to influence the United States on grounds other than alliance loyalty.
- 11. China's active approach to unrest in North Korea.** The Chinese team in the TTX was assertive in employing the PLA to advance its security interests when it detected threats and opportunities in the unrest in the northern DPRK. This approach reflected the more confident and aggressive approach that Xi Jinping has taken to security issues. The China team worried about unfavorable outcomes on the Korean peninsula in the event of a collapse of the Kim regime, and was prepared to take major military action in the event of major violence in the DPRK. Its ultimate goal was the dissolution of the

U.S.-ROK Alliance, withdrawal of U.S. forces from the Korean peninsula, and a successor to the Kim regime that was under Chinese control. Once it assessed that the Kim regime would be able to restore stability, China preferred the maintenance of the status quo of a divided peninsula. Considering itself North Korea's traditional supporter, and believing its own actions had been justified, it was confused by North Korean hostility in the scenario. It finally concluded that North Korea had turned away from Beijing for Washington. The Chinese team could not grasp that Pyongyang did not see China as the guarantor of its independence, but rather considered its own strength, and especially its nuclear weapons, to be the ultimate guarantor of its sovereignty.

12. TTX mechanics—a separate UN cell. Often in TTX's, the UN is played by the control, or white cell; in this TTX, an experienced U.S. diplomat filled the role. This addition added a level of complexity to the game, but it allowed for a more realistic exploration of issues involving the DPRK request for membership in the international economic institutions. This element of the TTX scenario put the UN into a central diplomatic role because of its convening power. In turn, these discussions aided Washington's efforts in finally achieving a trilateral consensus on how to respond to DPRK initiatives.



A U.S. Marine Corps F-35B Lightning II attack jet flies alongside a KC-130J tanker aircraft attached to a refueling drogue during an aerial refueling mission above the East China Sea, Oct. 23, 2018. Photo Credit: U.S. Marine Corps I Gunnery Sgt. T. T. Parish

Recommendations

- 1. Prepare for success.** As the exercise demonstrated, if economic hardship does force North Korea to take action, it is not likely to agree to denuclearize and reform its economy. The actions will more likely resemble the North Korean play in this tabletop exercise—political initiatives to cause frictions among other countries, provocations as well as phony concessions, and strong internal security measures. The United States, Japan, and the ROK should consult to prepare coordinated policies and actions to deal with these likely developments. The policies must include agreement on the continuation of sanctions, and the conditions for any changes, and agreement on a set of priorities for North Korea that include the interests of all three countries and that all three support. This coordination should explore contingencies for exploiting North Korea's economic needs to gain concessions on denuclearization or other issues.
- 2. Improve bilateral and trilateral contingency planning.** Japan was surprised by and not prepared initially to respond to concerns over instability in the DPRK. It would be more prepared if Japan were brought in to U.S.-ROK contingency planning. Whereas trilateral coordination was central to day one coordination, the series of potentially destabilizing events in the DPRK resulted in more focused U.S. bilateral engagement with South Korea. The lack of a trilateral contingency planning mechanism made it difficult to coordinate these actions with Japan.
- 3. Improve Japan's influence.** Japan needs to find ways to extend its influence with the United States and the ROK to play a more important role in negotiations and actions with North Korea. At a minimum, based on its revised interpretation of collective self-defense, Japan can increase the military role it plays in the event of confrontation or conflict with North Korea. In addition, it can move to a more central role in sanctions enforcement and can expand its concerns with denuclearization beyond dealing only with the threat to Japan.
- 4. Engage China and Russia on North Korea instability issues.** As the game demonstrated, China and Russia have their own objectives towards North Korea. Maintaining stability within North Korea is important to them, denuclearization ranks low on their priorities, and each has specific issues along their borders with North Korea. In addition, both have current grievances and rivalries with the United States that will affect their cooperation with American objectives towards North Korea. The United States, Japan, and the ROK need to engage in intensive dialogue with both countries to understand their priorities, and to decide how these priorities can be affected by leverage in other areas of the relationship.
- 5. Prepare additional sanctions and tighten enforcement.** Using the United Nations process, the United States, Japan, and the ROK should prepare additional sets of sanctions to close the current loopholes in transactions between DPRK and Chinese businesses, and DPRK and Russian businesses. When DPRK actions provide a justification, gain approval for these new sanctions. In the meantime, crack down on the evasion of current sanctions through falsified business records, at-sea import transfers, and other techniques. Without effective and sustained sanctions, there is no pressure on North Korea to make real concessions. Even with this pressure, it is unlikely

that North Korea will give up all its objectives in retaining its nuclear deterrent, and in gaining recognized nuclear status.

- 6. Plan for North Korean WMD use inside its borders.** In contingency planning for conflict with North Korea, consider the likelihood that North Korea will use WMD not in attacks on other countries, but inside its borders, to stop counterattacks by the Combined Forces Command, or invasion by Chinese forces.

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Please direct inquiries to:

Sasakawa Peace Foundation USA
Research Department
1819 L Street, N.W.
Washington, DC 20036

P: +1 202-296-6694

E: info@spfusa.org

This publication can be downloaded at no cost at <http://spfusa.org/>

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