

Report to Congress,

**“Annual Report on the Military
Situation on the Korean
Peninsula,”**

**Pursuant to the FY2000 National Defense Authorization Act, (Section 1233),
Washington, Department of Defense,**

September, 2000.

The FY2000 National Defense Authorization Act (Section 1233) directs the Secretary of Defense to submit a report on the security situation on the Korean Peninsula. This report provides an assessment of the warfighting capability of the Republic of Korea-U.S. Combined Forces Command when compared to the armed forces of North Korea. It also provides an assessment of the North Korean threat to the Republic of Korea. Finally, it examines the current status and future direction of North Korea's weapons of mass destruction and ballistic missile programs.

SECTION ONE: DETERRENCE AND DEFENSE ON THE KOREAN PENINSULA

INTRODUCTION

1. The Republic of Korea (ROK/South Korea) and the US have adopted a security strategy that emphasizes deterrence and defense. The Democratic Peoples Republic of Korea (DPRK/North Korea) has a large and powerful ground force, that is numerically superior in manpower, armor, and artillery, and is deployed in forward positions from which they could mount, with only minimal preparation, a strong offensive. Therefore, to deter the DPRK requires the ROK and US actions during armistice to undermine the DPRK's confidence in its ability to succeed militarily. Accomplishing this goal requires the combined defense team to maintain constant awareness of the DPRK's intentions, respond to acts of North Korean provocation, and should deterrence fail, demonstrate resolve by deploying key US augmentation forces to support ROK forces. The cornerstone of deterrence is the unity of and strength of the ROK and US alliance.
2. In defending the ROK, planners are faced with a significant adverse geographical fact: the capital city of Seoul, the military, political, economic, and cultural core of the ROK, lies only 40 kilometers from the DMZ and is highly vulnerable to a North Korean ground or artillery attack. Reflecting this defense imperative, the combined ROK/US forces are forward deployed to defend the capital and prevent large-scale peacetime infiltration by the DPRK.
3. The ROK has never sought full military parity with the DPRK or the development of an overwhelming offensive capability. The defense of the ROK has rested firmly within the framework of a combined ROK-US military system since the Korean War. The US has maintained an uninterrupted ground and air force presence on the peninsula since the Korean War ended in 1953. The South's military reflects these unique circumstances. The ROK military is organized, equipped, and trained to defeat a DPRK attack as part of a combined ROK/US defense. The ROK-US security alliance will remain central to the defense of the ROK for the foreseeable future.

SUPPORTING THE ALLIED WAR EFFORT

1. Key US capabilities would play essential roles throughout all phases of operations. The US would enhance or provide the following critical capabilities to the combined war effort: a) airlift and sealift, b) prepositioned heavy equipment and supplies, c) battlefield command, control and communications, d) advanced munitions, d) aerial refueling, e) intelligence, surveillance, and reconnaissance, and f) counterfire against the massive North Korean artillery barrage.
2. US troop levels in the ROK have been maintained at about 37,000. Other US ground, naval, and air forces in Japan and afloat throughout Northeast Asia also greatly contribute to our

deterrent posture. However, our ability to win demands the execution of the Time Phased Force Deployment List (TPFDL)D.

THE ROLE OF THE UNITED NATIONS COMMAND (UNC) IN KOREA

1. The role of the UNC is to uphold the terms of the Korean War Armistice Agreement until South and North Korea reach a permanent peace settlement. In the event of renewed hostilities in Korea, the UNC's role is to coordinate the military efforts of the ROK, the US, and other UNC member nations to resist the attack.
2. On July 7, 1950, United Nations Security Council (Resolution 84) determined that the North Korean armed attack upon the Republic of Korea (ROK) constituted a breach of the peace and recommended UN member states make military forces and other assistance available to a "unified command"—the UNC—under the United States, to repel the North Korean armed aggression and restore international security in the region. The US, ROK and 15 other UN member states provided military forces to the UNC. Five other nations provided medical support.
3. The Commander-in-Chief, UNC (CINCUNC), signed the 27 July 27, 1953 Korean Armistice Agreement to stop the Korean conflict, on behalf of 16 UNC member states and the ROK. The Korean Armistice Agreement, which is purely military in character, pertains solely to the belligerents in the Korean conflict. The objective of the Armistice Agreement is to ensure a complete cessation of hostilities in Korea by all armed forces until a final peace settlement is achieved.
4. Under the provisions of the Armistice Agreement, the Military Armistice Commission (MAC) was established to enforce the terms of the Agreement. However, since North Korea and China abandoned the MAC in the early 1990s, the UNC has had to rely on an improvised general officer level dialogue with the Korean People's Army (KPA) to discuss Armistice related issues. There have been 11 General Officer level meetings held since 1998.
5. The Korean Peoples Army (KPA) is determined to undermine the MAC and UNC structure. Nevertheless the UNC continues to carry out its functions and fulfill its obligations under the mandate of the Armistice Agreement. For the past 47 years, the UNC has been a vital factor in preventing the resumption of hostilities on the Korean Peninsula.

COMBINED FORCES COMMAND (CFC) ROLE IN KOREA

The role of CFC during the armistice is to deter war. CFC's wartime role is to defeat external aggression. Its mission statement is: "Deter hostile acts of external aggression against the Republic of Korea by a combined military effort of the United States of America and the ROK; and in the event deterrence fails, defeat an external armed attack against the ROK." The CFC is commanded by a US general officer that who reports to the National Command Authorities of both countries. CFC's military power resides collectively in the ROK Armed Forces, US Forces in Korea, and US augmentation from the Pacific and the United States. The security cooperation between the US and the ROK is extensive. Some of its key elements are combined defense planning, intelligence integration and sharing, a sophisticated logistical interface, educational exchanges, and defense industry cooperation.

ROK – US SECURITY COOPERATION AND DEFENSE STRATEGY

1. The ROK-US security relationship is strong, continues to be viable, and has been the main factor in maintaining the cease-fire on the peninsula for over forty-six years. It has also contributed a great deal to the rapid development of the Republic of Korea and the peace and stability of Northeast Asia. The relationship is based on the ROK-US Mutual Defense Treaty signed on 1 October 1, 1953, and is backed up by the Status of Forces Agreement of July 1966, and the Wartime Host Nation Support Agreement signed in November 1991.
2. The ROK-US combined defense system remains essential to deterring or defeating a North Korean invasion. ROK forces are now more capable and willing to assume increasing responsibility for the defense of their country. In addition, ROK defense burdensharing has increased progressively to help defray the cost to the US of maintaining forces on the peninsula.
3. With North Korea's continued hostile posturing in the region, both nations engage in bilateral mutual security consultations. Institutional structures for command and consultation exist in the Security Consultative Meetings (SCM) between the US Secretary of Defense and the ROK Minister of National Defense, held since 1968, and Military Committee Meetings (MCM) between the US Chairman of the Joint Chiefs of Staff and the ROK Chairman of the Joint Chiefs of Staff, held since 1978. Both the SCM and MCM processes provide valuable forums for consultation and discussion of a wide range of important security matters pertaining to the combined ROK-US defense structure.
4. Today, the ROK-US security relationship, based on a strong military posture, deters North Korean aggression and serves as a cornerstone of US presence in this very important region.

DISPOSITION OF US MILITARY FORCES IN KOREA

1. The US 2nd Infantry Division (-) has two ground maneuver brigades (one heavy and one light), an aviation brigade, and its organic division artillery. Major US ground weapons systems currently deployed in the ROK include: Major US ground weapons systems currently deployed in the ROK include M-1A1 Main Battle tanks, M-2A2 and M-3A2 Bradley fighting vehicles, 155MM self-propelled howitzers, Multiple Rocket Launchers (MLRS), a PATRIOT battalion and a two-squadron AH-64 Brigade. Additionally, there is a pre-positioned heavy brigade set of equipment.
3. The US 7th Air Force, headquartered at Osan Air Base, consists of the 51st Fighter Wing and the 8th Fighter Wing. Squadrons within the 51st Fighter Wing, also at Osan, are equipped with 24 F-16C/D LANTIRN, and 22 A-10s. Also stationed at Osan are U-2s from the 9th Reconnaissance Wing, Beale AFB, California. At Kunsan, the 8th Fighter Wing is equipped with 42 F-16Cs.
4. As of 29 March 29, 2000, there were 35,584 US troops assigned to in the ROK: Army (26,782), Air Force (8,305), Navy (407) and Marines (90). There were also 9,453 command-sponsored family members and approximately 3,275 non-command sponsored family members residing in Korea.

COMBINED FORCES COMMAND READINESS AND TRAINING

The overarching priority of Combined Forces Command is combat readiness. The CFC staff aggressively pursues improvements in warfighting capability through a vital combined exercise

program, close contact with wartime component commands, and capability enhancements through the appropriate national military command and service component channels. Lessons learned from each theater-level combined exercise are the basis for command-level solutions that are a part of an extensive warfighting issues resolution program. Interoperability, effective command and control systems, critical equipment acquisition, and logistical sustainability are key areas of effort to improve the combined combat force capability. Senior leader involvement in every aspect of readiness ensures shortfalls are continuously highlighted and improvement plans are aggressively tracked.

SECTION TWO: DEMOCRATIC PEOPLES REPUBLIC OF KOREA (DPRK) FORCES

INTRODUCTION

North Korea remains the major threat to stability and security in Northeast Asia and is the country most likely to involve the United States in a large-scale war. While the historic summit between the North and South leaders holds the promise of reconciliation and change, no evidence exists of the fundamental precursors for change. There is little or no evidence of economic reform or reform-minded leaders; reduction in military forces; or a lessening of anti-US rhetoric. A decade of steep economic decline has not deterred the North's leaders from allocating precious resources to improving their military forces. The DPRK maintains a dogged adherence to a "military first" policy even against the backdrop of a nation facing severe economic and social challenges.

LEADERSHIP

Less than six years after the death of his father, Kim Jong Il has consolidated power and is firmly in control of North Korea. The leadership continues to focus on its three fundamental themes—regime survival, reunification, and achieving status as a "great and powerful nation." Lacking his father's revolutionary credentials, the North Korean leader relies upon military and security forces to maintain his chokehold on the citizenry. The North Korean leader relies heavily upon military and security forces to maintain his regime. Kim Jong Il sustains regime support by providing resources to key areas at the expense of lower priority sectors of the economy and society. The result is neglect of entire segments of society selected by geography, age, and political reliability. Meanwhile, his inner circle, insulated from the economic and social trauma impacting the lives of ordinary citizens, remains an exclusive group in which relations by blood or marriage, revolutionary ties, and loyalty are the primary prerequisites for power.

ECONOMY

The leadership's most pressing domestic problem is an economy in decline for the tenth consecutive year. The three major components of the North's economic infrastructure—power generation and distribution, communications, and transportation—are failing. Shortages of food, energy, and foreign exchange cripple industry and trade. The underlying cause of the failing economy is the regime's mismanagement of national resources. The regime allows minor some deviations from its centralized policies such as open markets outside government control and limited private agricultural activities. But these are only begrudging adjustments to failure of the central rationing system and, but these are not indicative of reform. Until they initiate the major reforms required to create a healthy economic environment, the North will continue to rely on

outside help to avert complete economic collapse—and remain an aid-based economy. If economic conditions worsen, we must consider that the North Korean economy could break down completely, precipitating social chaos and threatening the existence of the regime itself. We should anticipate a flood of refugees, humanitarian needs, and the potential for chaos, military coup, or the devastation of civil war. We continue to update our contingency plan to deal with these possibilities. However, the massive economic and infrastructure development aid resulting from the June 2000 summit diminishes the likelihood of this “implosion” scenario.

MILITARY FORCES

1. The “Military First” orientation has always been the heart and soul of the North Korean regime. It provides the only conceivable means by which the regime can survive and achieve its ultimate security through reunification. The military continues to grow in both conventional and asymmetrical forces with increasing emphasis on the latter. The military provides deterrence, defense, and a massive offensive threat, as well as leverage in international negotiations. The army is much more than just a military organization; it is North Korea’s largest employer, purchaser, and consumer, the central unifying structure in the country, and the source of power for the regime.
2. Pyongyang’s military goal is to reunify the peninsula by force. North Korea’s fundamental war-fighting strategy mandates achievement of surprise, prosecution of a short and violent war, prevention of major United States reinforcement of the peninsula, and negation of the Republic of Korea’s mobilization. The North Korean Armed Forces today are the fifth largest in the world. The ground forces, numbering one million active duty soldiers, provide the bulk of the North’s offensive war-fighting capability and are the world’s third largest army. They are supported by an air force of over 1,600 aircraft and a navy of more than 800 ships. Over 6 million reserves augment the active duty personnel. Seventy percent of their active force, to include 700,000 troops, 8,000 artillery systems, and 2,000 tanks, is garrisoned within 100 miles of the Demilitarized Zone. Much of this force is protected by underground facilities, including over four thousand underground facilities in the forward area alone. From their current locations these forces can attack with minimal preparations.
3. North Korea fields an artillery force of over 12,000 self-propelled and towed weapon systems. Without moving any artillery pieces, the North could sustain up to 500,000 rounds an hour against Combined Forces Command defenses for several hours. The artillery force includes 500 long-range systems deployed over the past decade. The proximity of these long-range systems to the Demilitarized Zone threatens all of Seoul with devastating attacks.
4. Realizing they cannot match Combined Forces Command’s technologically advanced war-fighting capabilities, the North’s leadership focuses on developing asymmetrical capabilities such as ballistic missiles, special operations forces, and weapons of mass destruction designed to preclude alliance force options and offset our conventional military superiority.
5. The North’s asymmetric forces are formidable, heavily funded, and cause for concern. The progress of the North’s ballistic missile program indicates it remains a top priority. Their ballistic missile inventory now includes over 500 SCUDs of various types. They continue to produce and deploy medium-range No Dongs capable of striking United States bases in Japan. Pyongyang is developing multi-stage missiles with the goal of fielding systems capable of striking the Continental United States. They tested the 2,000-kilometer range Taepo Dong 1 and continue work on the 5,000 plus kilometer Taepo Dong 2. Pyongyang is

one of the world's largest missile proliferators and sells its missiles and technology to anyone with hard currency.

6. In late 1999 North Korea agreed to a moratorium on future missile test firings for the duration of discussions with the US to improve bilateral relations. North Korea publicly reaffirmed that moratorium in June 2000. The US continues to engage North Korea in talks to resolve the threat of North Korean missiles in the region as well as broader concerns with proliferation of North Korean missiles globally.
7. North Korea's Special Operations Forces are the largest in the world. They consist of over 100,000 elite personnel and are significant force multipliers providing the capability to simultaneously attack both our forward and rear forces.
8. North Korea possesses weapons of mass destruction. A large number of North Korean chemical weapons threaten both our military forces and civilian population centers. We assess North Korea is self-sufficient in the production of chemical components for first generation chemical agents. They have produced munitions stockpiles estimated at up to 5,000 metric tons of several types of chemical agents, including nerve, choking, blister, and blood. We assess that North Korea has the capability to develop, produce, and weaponize biological warfare agents, to include bacterial spores causing anthrax and smallpox and the bacteria causing the plague and cholera. While North Korea denies possession of nuclear weapons and has frozen its nuclear program at Yongbyon, we remain concerned the North could revive a weapons production program. The Perry process provides a diplomatic roadmap for addressing that threat as well as the missile threat.

TRANSPORTATION

North Korea has taken steps to upgrade its transportation system in support of its industrial and military needs. Infrastructure improvements are ongoing, with rail and highway repairs and construction projects progressing during the past few years. However, electrical power problems and poor equipment continue to hamper major construction and upgrade projects. The major project during the past 18 months has been the Pyongyang-Nampo expressway, which is probably designed to enhance the movement of goods should trade be opened through the port of Nampo. At the same time, it could also be used to transport troops during a defense against an amphibious attack on the West Coast. The transportation system, which includes a 30,000 kilometer highway system (15% paved) and a 5,000 kilometer rail network (mostly single track) could support initial combat operations during wartime; however, the infrastructure would experience difficulties supporting sustained operations. Rugged terrain; limited east-west routes; numerous bridges, tunnels, and other chokepoints; and inferior road surface types would be limiting factors during combat operations.

The summit related promises of massive road, rail, and electrical infrastructure improvements poses an dilemma for the ROK. Without any simultaneous reduction in the DPRK's conventional military capability, such infrastructure improvements enhance the North's ability to rapidly mobilize and invade south with minimum warning.

LOGISTICS AND SUSTAINABILITY

1. During the Korean War, lack of adequate logistics hampered North Korea's military forces and kept them from completely controlling the peninsula. After the war, sustainability of its military forces became a primary requirement of the North's military doctrine. Pyongyang

continues to implement military doctrine that calls for maintaining war reserves for all classes of supply for six months of sustainability for regular forces and three months for reserve units and paramilitary forces. A major increase in the number of active forces and the deployment of many new types of weapons systems in the past 20 years complicate this doctrine; however, North Korea's massive war reserve stockpiles continue to expand despite the tremendous cost to its economic structure and hardship to its people.

2. North Korea is expanding its ammunition and equipment storage capacities by building additional hardened and underground facilities and enlarging existing facilities. Major national-level storage installations have been built, and construction of unit-level storage depots continues, especially near the DMZ. Current ammunition stockpiles are estimated at over one million tons. A major military POL war reserve exists, despite the severe shortage of fuel supplies for the civil economy. Substantial food and combat ration war reserves are stockpiled, despite widespread starvation and malnourishment in recent years.
3. North Korea has over 200,000 vehicles, 1,000 locomotives, and over 20,000 railcars that are mostly nonmilitary but would be mobilized to support a conflict. Much of this transportation is tied to reserve force units that would provide a substantial part of the logistic support required by military forces and would move personnel, ammunition, and supplies into the ROK during a conflict. Truck transportation units would provide a full range of support. Rail assets would provide heavy-lift capacity to move armor, self-propelled artillery, and resupply from national depots. Merchant and fishery vessels would support naval forces and ground troops along the peninsula's coastal waters, and the civil air transport fleet would be mobilized to carry troops and high-value cargo and possibly for aerial delivery of chemical and biological warfare agents.

FORCE IMPROVEMENTS

North Korea continues to improve its military. In the last 12 months, North Korea has worked hard to arrest a decline in readiness and to improve its military capability. Highlighting these enhancements is an ambitious program to improve ground forces capabilities. A key component of this initiative involves the deployment of large numbers of long-range 240mm multiple rocket launcher systems and 170mm self-propelled guns to hardened sites located near the Demilitarized Zone. Other force improvements include emplacement of anti-tank barriers in the forward area, establishment of combat positions along major routes between Pyongyang and the Demilitarized Zone, repositioning of key units, beefing up of coastal defense forces in the forward area, construction of missile support facilities, preparations for extended range missile testing, and procurement of fighter aircraft. Applying lessons from US operations in Europe and Southwest Asia, the North Koreans have modified key facility defenses, dispersed forces, and improved an already impressive camouflage, concealment, and deception effort. Summer and fall 1999 training levels were extremely high. Key activities during the 1999-2000 winter training cycle were at record levels and demonstrated a concerted effort to improve readiness. Additionally, early indicators reflect that this summer training cycle (Calendar Year 2000) may well be headed toward near record levels. Production of limited numbers of military equipment, to include missiles, aircraft, submarines, and artillery systems also continues.

SECTION THREE: REPUBLIC OF KOREA (ROK) FORCES

ROK NATIONAL SECURITY OBJECTIVES, NORTH KOREA POLICY AND DEFENSE STRATEGY:

1. The ROK Ministry of National Defense (MND) publishes annually a Defense White Paper that outlines national security and North Korea Policy. The 1999 White Paper outlined three national security objectives:
 - a. To maintain stability and peace on the Korean Peninsula:
 - i. All-out ROKG effort to bring permanent peace
 - ii. Deter war by developing a firm, independent security posture
 - iii. Solid ROK-US alliance
 - iv. Cooperation with neighboring countries
 - b. To improve inter-Korean relations and foster peaceful coexistence:
 - i. Not done in haste
 - ii. Improved N-S ties via reconciliation, cooperation, and mutual confidence
 - iii. Foundation for unification based on a strong deterrence that inhibits military threats from Pyongyang
 - c. To strengthen international cooperation to set stage for national stability, prosperity, and progress:
 - i. Strive to develop democracy in concert with market economy
 - ii. Become exemplary nation
 - iii. Engage in international cooperation
 - iv. Enhance prestige abroad
 - v. Contribute to world peace and co-prosperity of humankind
2. North Korea Policy: According to the Defense White Paper, the ROKG explicitly expressed three major principles and six keynotes to accomplish its policy objectives toward North Korea. The three major principles are:
 - a. Never tolerate armed provocation of any kind that would destroy peace.
 - b. The ROKG has no intention whatsoever of unifying the peninsula by absorbing the North.
 - c. The ROKG will actively promote reconciliation and cooperation.
 - d. The six keynotes include:
 - i. Pursuit of national security in parallel with North-South cooperation.
 - ii. Realization of peaceful coexistence and exchanges first.
 - iii. Creating a positive environment for the North to change.
 - iv. Advancing North-South mutual benefits.
 - v. Securing international support under the principle of resolving the problems by the two Koreas.
 - vi. Pursuit of a policy toward North Korea rooted in national consensus.

MILITARY FORCES

1. The current force capability of the ROK Armed Forces is quantitatively inferior to that of North Korea. However, once the capacity of their equipment and ROK-US combined force capabilities are taken into account, they are qualitatively superior. For example, the ROK Navy's victory at sea near Yonpyong which took place last Jun (1999) clearly shows that ROK naval weapon systems and combat capability are superior to those of North Korea.
2. Army
 - a. The ROK Army makes up the core of their national defense and senior military leadership. Its mission in peacetime is deterring war with the help of the ROK Navy and the ROK Air Force; its wartime mission is to bring all ground combat to victory.
 - b. Organized into the ROK Army Headquarters, three field army commands, the Aviation Operations Command, the Special Warfare Command, and units to support these commands, the ROK Army consists of 11 corps (Capital Defense Command included), and 52 divisions and 20 brigades. Twelve of these divisions defend along the military demarcation line every day.
 - c. Approximately 560,000 troops make up the army, and its core equipment include some 2,250 tanks, 4,850 pieces of field artillery, and 2,300 armored vehicles. Additionally, there are 150 multiple rocket launchers, 30 missiles, and 580 helicopters.
 - d. Two of the three field army commands have the mission to defend the region that ranges from the Military Demarcation Line (MDL) to the Seoul area. Each army command consists of several corps commands, divisions and brigades. The troops under these two commands, in response to surprise attacks or high-speed mobile warfare launched by North Korea, have deployed tanks developed especially for Korea's mountainous terrain, various sorts of artillery, anti-tank missiles and surface-to-air missiles along the major avenues of approach that connect Seoul to North Korea.
 - e. The other field army command is responsible for defending the entire rear area, including the coastline, which starts from the rear of the two aforementioned forward-area army commands. Several corps commands, divisions, and/or brigades make up this command. The core tasks of this army are designed to repel North Korean infiltration by land, sea and air, and should the North successfully conduct an infiltration, annihilate the infiltration force. These tasks include guarding the coastline, defending major facilities and sea lines of communications (SLOCs), and managing reserve forces and materiel for wartime mobilization.
 - f. Organized into one aviation brigade and several battalions, the Aviation Operations Command possesses various types of helicopters equipped with rockets, TOWs, Vulcan guns, and machine guns. The command provides maneuver forces with fire support, airlift and reconnaissance support, and if necessary, moves into the enemy's rear area to conduct timely fire support and air strikes.
 - g. The Special Warfare Command consists of several brigades. Its main tasks include collecting intelligence, locating enemy targets and carrying out other designated tasks.
 - h. The Capital Defense Command consists of several divisions, and focuses on the mission of maintaining the security of Seoul as well as protecting the infrastructure of the city.
 - i. One reconnaissance and one decontamination battalion, and the Chemical Defense Research Institute make up the CBR (chemical, biological, and radiological) Defense

Command. The command supports CBR operations, and conducts research and evaluates issues related to chemical warfare agents.

3. Navy

- a. Aside from war deterrence in peacetime, the ROK Navy's missions include upholding national sovereignty by protecting maritime rights, supporting government foreign policies, and enhancing national prestige. The Navy, during war, exercises control over the sea and the SLOCs that will ensure the safety of ROK maritime activities, prevents the enemy from exercising its own maritime operations, and carries out surprise landing operations on the enemy's flanks and in the rear areas.
- b. The ROK Navy Headquarters, Operations Command, Marine Corps Headquarters, and support units make up the ROK Navy. The ROK Navy has 67,000 troops, including marines, and it operates approximately 200 vessels including submarines and 60 aircraft.
- c. Under the ROK Navy Operations Command, three fleets are based in the East Sea, the Yellow Sea and the Korea Strait, respectively. To guard its operational zone of responsibility, each fleet possesses combatants or combat vessels, e.g., destroyers, escorts, high-speed boats, etc. The Operational Command also has its own vessels and aircraft to conduct major naval component operations such as anti-submarine warfare (ASW), mine operation, landing, salvage, and special operations.
- d. The Marine Corps Headquarters is organized into two divisions and one brigade. For amphibious landing operations, the marines possess a wide range of landing equipment, such as amphibious tanks and their own fire support.

4. Air Force

- a. The Air Force constantly keeps a watchful eye on the enemy while at the same time maintaining a firm combat readiness posture which will enable immediate retaliation should the enemy launch any provocation. The mission of the Air Force during war is to achieve air superiority so as to prevent the enemy from having access to ROK air space, to neutralize the enemy's will by destroying its principal and potential warfighting capability, and finally, to give full support to ground and naval operations.
- b. The ROK Air Force Headquarters, Operations Command, Logistics Command, Training Command, and two wings constitute the ROK Air Force. The two aforementioned wings are directly subordinate to the Headquarters; the Anti-aircraft Artillery Command, Air Traffic Center, and nine tactical fighter wings come under the Operations Command. The command currently operates one training wing as well.
- c. Air Force personnel number 63,000 and the Air Force possess more than 780 aircraft including KF-16 fighters.
- d. Air operations are under direct control of the Theater Air Control Center. At present, the Air Force operates aircraft that can carry precision-guided munitions and long-range air-to-air missiles. It can also provide support to ground and naval forces with close air support as part of joint air-ground-sea operations.

5. Reserve Forces

- a. Reserve forces were first created in April 1968, after armed North Korean infiltrators attempted to assault the Blue House in January of the same year. Since the end of the Korean War through the Vietnam War era, and up until now, reserve forces have played a pivotal role in deterring North Korea's war provocations.
- b. Reservists, during peacetime, receive regular education and training, which allows them to maintain the ability to defend their homeland. Aside from homeland defense during wartime, however, reserves are expected to carry out the same combat tasks as active duty forces; they will become the supplementary manpower for creating new units, reinforcing units, and serving as replacements for combat losses.
- c. According to ROK law, those who have finished their military service must serve in the reserves for eight years. Reservists currently number 3.04 million.
- d. Individual and crew-served equipment including firearms, munitions and tanks are stockpiled at all times in areas where reserves are expected to prepare for commitment to reinforce units, or organize new ones.

ROK COMMAND, CONTROL, AND COMMUNICATIONS CAPABILITIES

1. The ROKG realizes the need for advanced technology on today's modern battlefield. Korean tactical data systems are currently under development and an automated command and control system is also under design. These major initiatives will increase the ROK's capability to effectively command and control their forces.
2. Recent ROK communications systems have also been designed without combined interoperability in mind. The new Combat Net Radio for the ROK is not compatible with its US counterpart (SINCGARS) in either a frequency-hopping mode or in a secure mode. The ROK Digital Common User System (SPIDER) currently nearing deployment does not have a digital trunk interface device or a bulk encryption device. This precludes direct tactical communications between US units (using TRI-TAC and MSE) and ROK units. To compensate the ROK has developed a prototype analog interface device, which has not yet been fully tested. Secure telephone and data encryption, interoperability of command post systems, and electronic interface of automated intelligence systems are all major improvements needed for interoperability in the command.

CFC EXERCISE PROGRAM

1. Thoroughly revamped in 1994, the CFC exercise program is the cornerstone for stability on the Korean Peninsula. Each exercise provides a visible, stable platform providing annual training in key Operations Plan (OPLAN) tasks or Joint Mission-Essential Tasks. Showcasing the US-ROK demonstrated resolve, and with CFC combat capability and deterrence as goals, the exercise strategy incorporates ROK and US national guidance, CINC CFC's guidance, and resource and environmental constraints.
2. Because of the high annual turnover of US and ROK personnel, it is necessary to train on all critical OPLAN tasks, to include strategic deployment and reception, staging, onward movement, and integration of US augmenting unit, each year. All critical OPLAN tasks must be trained to annually, including strategic deployment and reception, staging, onward movement, and integration of US augmenting units, due to the high yearly CFC turnover of

US and ROK personnel. The annual exercise program provides opportunities for realistic training of the critical phases and procedures of the theater warplan. All theater level exercise training is conducted in a joint and combined environment to improve cooperation, coordination, communication and interoperability.

3. The CFC exercise program consists of these three major exercises, each focusing on a different phase of our warplan:
 - a. ULCHI FOCUS LENS, a simulation-driven command post exercise (CPX) focused on key warfighting tasks, stresses the integration of the close, deep and rear battle.
 - b. FOAL EAGLE (FE), CFC's main annual field training exercise focused on the rear area battle, force-on-force, and amphibious operations, incorporates many of the previous TEAM SPIRIT training tasks.
 - c. Reception, Staging, Onward Movement and Integration (RSOI), a simulation-driven command post exercise, focuses on the tasks of US reinforcement flow, rear area security, ROK reconstitution, operational logistics and sustainment.

SECTION FOUR: ROK FORCE IMPROVEMENT AND MODERNIZATION EFFORTS

ROK DEFENSE IMPROVEMENT PLAN (DIP)

The ROK DIP was initiated in 1976 to modernize and improve the combat effectiveness of the ROK armed forces. Within the context of their defense strategy, ROK forces are undergoing modernization and improvements in many key areas through indigenous weapons production, co-production, and procurement through Foreign Military Sales (FMS) and direct commercial channels. Currently, the ROK is focusing on securing tactical early warning systems and achieving major improvements in current combat capability. Later, their focus will shift to acquisition of advanced weapon systems to further increase their war-detering capability. Economic success makes it possible for the ROK to share a larger proportion of security-related costs on the Korean Peninsula. However, it must be noted that these contributions come while the ROK is also modernizing its force structure, establishing a more modern command and control system, improving the quality of life for its armed forces, and experiencing increasing political pressures to expand spending on domestic programs.

ROK ARMY (ROKA) GOALS AND MODERNIZATION EFFORTS

1. The ROKA continues to focus on indigenous and co-produced ground and aviation equipment—this focus is driven by national pressure to enhance the Korean industrial base by acquiring advanced technologies. Indigenous development and production include an advanced artillery fire control system, and the PRC-999K tactical radio. The ROKG is also developing tracked air defense systems and has deployed one system in the Seoul area. Co-production programs with the US include the K-1 main battle tank, K-200 Korean Infantry Fighting Vehicle, K-55 self propelled 155mm howitzer, M-9 Armored Combat Earthmover, and the UH-60P utility helicopter. These have been successful programs.
2. Counter-fire, special operations, forward area air defense and aviation modernization all continue to receive priority for foreign acquisition. ROKA has received the last of the U.S. TPQ-37 Firefinder radar systems procured through FMS. The ROK currently has a mixture

of TPQ 36 and TPQ 37 radars. The overall intent of an upgrade program is to make the ROK radars, both Q36 and Q37, comparable in capabilities to those of USFK. Additionally, the ROK is actively pursuing the procurement of a second battalion of MLRS and long range Army Tactical Missile Systems (ATACMS). The ROK ultimately wishes to acquire the most advanced versions, M270A1 and ATACMS Block 1A, of the systems. The ROK SOF is seeking enhancements in several areas. These include communications, optical equipment, navigation equipment, and aviation. The ROKA aviation modernization program is an ambitious effort designed to infuse new technology, expand force structure, and develop a day/night engagement and sustainment capability. Lift and cargo capabilities continue to receive attention, and there is now a renewed emphasis on procurement of an advanced attack helicopter.

3. ROKA is intent on modernizing its forces, with emphasis on maneuver warfare, activation of two additional attack helicopter battalions, and enhancement of its special operations forces. There will continue to be an emphasis on indigenous production and co-production.

ROKAF GOALS AND MODERNIZATION EFFORTS

1. Recent ROKAF procurement initiatives include air-to-air refueling tankers, airborne C3I, and airborne early warning capability. Service Life Extension Programs (SLEP) across the ROKAF fleet (F-4, F-16 Falcon Up, and possible F-5 modernization) are measures pending delivery of additional Korean Fighter Program F-16s, the Future Fighter (FX), and the Korean Trainer (KTX-II) aircraft.
2. The ROKAF is expected to make a major air defense procurement decision in 2001. Patriot is a strong candidate to replace the aging ROK Nike-Hercules systems. This will also improve the current Theater Missile Defense (TMD) capability.

ROKN GOALS AND MODERNIZATION EFFORTS

1. Surface Naval Combatants: The ROKN force improvement program calls for the replacement of its aging destroyer class ships (old US Navy FRAM I and II hulls) with a modern indigenous naval force based on an ascending series of hull designs beginning with a 3850 ton KDX-I, followed by a 4,500 ton KDX-II with enhanced AAW capabilities, then a 7000 ton class "Aegis" class ship called KDX-III. Current planning is for three KDX-I class, six KDX-II, and at least one KDX-III class ships. At this point, As of this writing two KDX-I ships are commissioned with the third ship expected to be commissioned in summer 2000. Delivery of KDX-II ships and a KDX-III destroyer is expected in the near future.
 - a. A new design amphibious landing ship, the LPX, is planned for delivery in 2005. This ship will displace approximately 10,000 tons. ROK Navy desires the ship to have a large flight deck like a helicopter carrier; a flooding well deck to accommodate Amphibious Assault Vehicles (AAV's) and Landing Cushion Aircraft (LCAC) is being considered.
 - b. ROK Navy received a new class of mine hunting ship (MHC) in 1999. Two more ships are expected to be delivered in 2001 and 2002.

2. Submarine Program: The ROKN is progressing with its acquisition of nine Type 209 submarines of German design; seven of the 1200 ton ships are commissioned with the remaining two under late stages of construction.
 - a. ROK Navy is currently working with both French and German shipyards in the design and acquisition of ROK Navy's next submarine, KSS-II. This ship will be in the 1800-ton range and will have Air-Independent Propulsion (AIP) engineering plant.
 - b. The ROK Navy submarine force has been working closely with US Navy submarine forces, stationed in Japan.
3. Maritime Surveillance: As the ROKN expands the strategic range of its primary surface and subsurface combatant forces, it continues to upgrade its Naval Air Force's ASW/Maritime patrol capability. All eight planes are being outfitted with Inverse Synthetic Aperture Radar that will significantly increase its maritime patrol capabilities; installation completion is expected by Oct 2000. ROK Navy is aggressively pursuing the acquisition of an additional eight additional P-3C aircraft. These aircraft, along with the major support facilities (supply warehouse, hangar, maritime Air Operations Center, weapons magazine, maintenance facilities) at Pohang gives the ROK Navy a robust maritime surveillance capability in the Asian littoral.
4. C3I Upgrades: ROK Navy is executing a major C3I upgrade commencing in CY 2000 using the US Navy's Global Command & Control System – Maritime (GCCS-M) and UHF SATCOM as the communications backbone.
 - a. The current plans include UHF SATCOM, Navy Order Wire, GCCS-M for operational shipboard and command center use.
 - b. The Korean OSIS Evolutionary Development (KOED) is a wide area network intelligence fusion and dissemination system connecting the fleet commanders and ROK Navy Headquarters; installation is in progress.
 - c. The third component of the master ROK Navy C3I upgrade architecture is the Korean Naval Tactical Data System.

ROKMC GOALS AND MODERNIZATION EFFORTS

1. The principal influence on ROKMC acquisition programs is their wartime role as part of the Combined Marine Forces Command. Acquisition plans are tied to ROK Army procurement and focus on increasing tactical mobility, firepower, and command and control.
2. Amphibious Assault Vehicles - Until recently, the ROKMC fleet of Amphibious Vehicles consisted of sixty-one Landing Vehicles Tracked (LVT) and forty-two AAV7A1. Additionally, in an effort to replace the LVTs, the ROKMC is in the final year of a fifty-seven vehicle, three-year AAV7A1 co-production effort. The ROKMC is in the process of modifying that contract and producing an additional sixty-seven additional AAV7A1 vehicles.

DEFENSE BUDGET TRENDS AND EFFECT ON ROK DIP

1. Past and current ROK defense budgets are shown below:

	CY95*	CY96	CY97	CY98	CY99	CY00		
Defense budget (DB)	\$13.8B**		\$15.9B	\$17.1B	\$10.61B	\$11.45B	\$12.77B	
DB Share of Nat. Bud.		22.1%	20.8%	20.2%	18.3%	16.4%	16.6%	
DB Share of GNP/GDP		3.3%***		3.1%	3.1%	3.2%	2.9%	2.8%
Defense Improvement	\$4.0B	\$4.3B	\$4.9B	\$3.14B	\$3.45B	\$3.73B		
DIP Share of DB		29.0%	27.0%	28.7%	29.6%	30.1%	29.2%	

*The ROK Fiscal Year (FY) = Calendar Year (CY). Budgets for CY95-99 are as executed; CY00 is the budget as approved by the National Assembly in December 1999.

** Conversion rates: \$1= 800 won (1994-95); 770 won (1996); 806 won (1997); 1300 won (1998); 1200 won (1999); 1130 won (2000).

*** Until 1997, the ROK utilized GNP figures; beginning with 1998, GDP is utilized.

- Historically, the ROK defense budget has accounted for approximately 20% of the national budget. The financial crisis of 1997 and its aftermath forced ROK planners to seriously re-look at government spending to include the defense budget. The CY00 defense budget shows a modest increase (5%) over last year's appropriation. One must keep in mind that the budget is won based and only a small portion of the defense budget is dependent on foreign exchange. This plus the general strengthening of the won against the dollar since 1998 make budget figures based on converted dollar misleading, because the dollar-based based budget gain appears much larger than the actual won gain. The defense budget share of the overall National Budget is 16.6% and 2.8% of GDP for CY00, compared to 16.4% and 2.9%, respectively, for 1999.
- The CY00 budget prioritizes Operations and Maintenance (O&M) over the Defense Improvement Program budget. The largest increase is in the personnel account where a significant gain of 10.6% was achieved. While the Defense Improvement Plan (DIP; sometimes referred to as FIP or Force Improvement Program) budget did not rise significantly, its overall portion within the budget remains near 30%, the average in the 1990s. The CY00 budget is a clear indication that the Ministry of National Defense recognizes significant needs in the areas of personnel and maintenance, and is targeting its resources to take care of what it has, while still attempting to carry out its Defense Improvement Program. Such an approach will continue the trend toward lengthier acquisition programs and the possible further delay of the start of some big-ticket procurements.
- The ROK also contributes to the US Forces Korea non-personnel stationing costs through the US-ROK cost sharing measures. For cost sharing in 1999, the ROK provided \$692 million out of the \$1.8 billion in USFK's non-personnel stationing costs, equating to 38%. ROK contributions under the Special Measures Agreement (a direct payment subset of cost sharing) amounted to \$333 million. Under the Special Measures Agreement, with adjustments made for ROK economic growth and inflation, contributions for 2000 rise to approximately \$391 million.

SALE OF US MILITARY EQUIPMENT TO THE ROK

- US Share of ROK Defense Spending: Korea continues to demonstrate overwhelming preference for US military equipment. The proportion of ROK military purchases from the US as a percentage of total foreign procurement has ranged from 59.2 to 98.9 % in the last 10 years (CY 1990-1999). The decade average is 78.6%. In the last ten years, eighty percent of

all Korean overseas procurement came from the United States. FMS agreement levels have fluctuated significantly in recent years due to the financial crisis of 1997-98. FMS agreement levels ranged from \$889 million in FY 96 to \$267 million in FY 98 and back up to \$511 million in FY 99. FY 00 is projected to reach the \$700 million level. Through restructured payment schedules, ROKG has been able to make on time FMS cash payments. As of 31 Jan 00 there were 822 active FMS cases worth \$8.4 billion.

2. Commercial Expenditure: Direct: Direct Commercial Sales (DCS) levels have also fluctuated significantly due to the financial crisis ranging from \$388 million in FY 96 to \$70 million in FY 98 and back up to \$235 million in FY 99. For the past decade US defense industry enjoyed the majority of the DCS market share with the 90-99 decade-long average standing at 56%. However, this share is declining and is expected to continue to decline. Share in 1997 was 28%, 45% in 1998 and 44% in 1999. Other nation's companies are increasingly able to offer a wider range and scope when negotiating offset arrangements, technology transfer, and enjoy higher levels of subsidization sponsored by their governments. The ROK remains focused on increasing domestic defense industry's self-reliance.

SECTION FIVE: SECURITY CONCLUSIONS AND FUTURE EXPECTATIONS

THE SECURITY ENVIRONMENT ON THE KOREAN PENINSULA

1. The Korean Peninsula is still a volatile arena in which two antithetical systems – one democratic and capitalist, the other totalitarian and communist – confront one another. The Democratic People's Republic of Korea (DPRK) is ruled by one of the world's last hard-line communist regimes. Their primary concern is with ensuring their own survival. Although the DPRK has publicly stated a preference for peaceful reunification, the regime retains a strong military option. The collapse of the communist bloc and China's improved relations with the ROK have deprived the DPRK of its former allies, discredited its ideology, and further weakened its economy through loss of trade partners. North Korea's trade with, and aid from, China and Russia have fallen drastically since 1990 and are undergoing a fundamental transformation from barter to hard currency, making it difficult for the North to secure badly needed resources such as food, oil, coking coal, and timber.
2. A coordinated series of intense diplomatic initiatives over the last two years are setting the conditions for significant change on the Korean Peninsula. As a result of President Kim Dae Jung's engagement ("Sunshine") policy and the recommendations by Dr William Perry regarding US policy toward North Korea, the US and the ROK, along with Japan, are pursuing a closely coordinated diplomatic effort. This effort is buttressed by a strong deterrent posture to address the North Korean threat. The US strongly supports an improved North-South dialogue as a critical aspect of the long-term effort to achieve a real peace on the Korean Peninsula. Such fundamental change ultimately requires the participation and cooperation of the DPRK government.
3. Against this backdrop, the DPRK is conducting its most significant diplomatic initiatives since the North-South negotiations of 1991-92. Beginning with intense efforts to normalize relations with the US, Italy, Australia, the Philippines, and Japan, Kim Jong Il agreed to participate in the first summit meeting between North and South leaders since the peninsula's division. Pyongyang's motivation for pursuing this "opening" remains an open question. One view holds these actions to be the first real steps toward an era of peaceful coexistence with

the South and the implementation of “China-style” economic reform. Others argue that Kim Jong Il’s initiatives are nothing more than a change in tactics, forced by the dire economic situation, and designed to extract maximum aid from the outside. At this apparent crossroad in Korean Peninsula history, it remains impossible to determine which camp is right.

4. Despite mounting difficulties, including diminishing food production, serious regional food shortages, summer flooding, and resource shortages, the military threat posed by the DPRK remains significant. The DPRK has a clear numerical advantage over the ROK in major conventional weapons systems and can mount a major attack against the ROK with minimal additional preparation, although at great risk. The ROK is confronted by the immediate proximity of a heavily armed, million-man plus DPRK force, the majority of which is forward deployed in fortifications near the Demilitarized Zone (DMZ). Over the past two decades, the DPRK has gradually deployed its combat forces forward so that the majority of North Korea’s active duty combat forces are now close to the DMZ in advantageous attack positions. This trend continued in 1999 with the additional forward deployment of numerous artillery systems to hardened sites located along the DMZ. Readiness for key elements of the force, to include artillery, Special Operations Forces (SOF), and mechanized units has been improved through an ambitious training cycle over the past twelve months, highlighted by the most robust Summer and Winter Training Cycles (STC/WTC) in a decade.
5. The DPRK’s unconventional capabilities are equally significant. They have extensive stockpiles of chemical weapons, suspected nuclear weapons capable of missile delivery, and the capability to produce biological weapons. Additionally, progress continues in the development of short, medium, and long range ballistic missiles.
6. The confrontation on the peninsula appears likely to persist for the immediate future, despite the June 13-15, 2000, summit between President Kim Dae Jung and Chairman Kim Jong Il. The regime in Pyongyang fears unification by absorption, as happened to the East German regime. This concern increased substantially with the normalization of relations between the ROK and the Soviet Union in 1990, and with China in 1992. It is difficult for the ROK or the US to provide reassurances that will ease Pyongyang’s fear, although President Kim in the ROK has endeavored to do so. The real threat of absorption stems ultimately not from policy but from the inability of the ruling regime to continue to isolate the North’s population from outside influences against the background of the ever-increasing North-South economic gap. President Kim’s proposals for increased aid to and investment in the North, particularly in infrastructure projects, are clearly intended to ameliorate this gap.
7. ROK public opinion about North Korea is not monolithic. Some 60% of voters in the South are under the age of forty and have no memory of the Korean War. Many in this group have been inclined to deny the possibility of another war on the peninsula. The euphoria resulting from the June 2000 summit contributes to a growing public perception of a decreased threat from North Korea. A tendency on the part of some South Koreans to be deeply suspicious of the North’s intentions tempers this enthusiasm.
8. Predicting North Korea’s actions in the near term, especially in light of the summit meeting in Pyongyang, is difficult. North Korea’s leaders cannot totally abandon their hostility toward the ROK and US, nor can they fix their economy without taking significant risks to regime survival. Reconciliation with the South could break down the isolation they need to protect the structure of myth undergirding their regime. The people of the DPRK have been told that Southerners live a life of spiritual and material deprivation. Widespread knowledge of the truth in the North could prove fatal to the ruling regime. Policies that might offer hope of

fixing the economy would entail the same hazard. However, the possibility of Chairman Kim Jong Il pursuing a course of reconciliation and reform cannot be totally ruled out. This is particularly true since other options—war or the status quo—entail equally dangerous risks.

9. Various agreements in the 1990's have met with differing levels of success. In 1991 and 1992, the ROK and the DPRK engaged in high-level negotiations and concluded two agreements, one on reconciliation and non-aggression and the other a joint declaration forswearing the possession, use, and development of nuclear arms and the reprocessing of spent nuclear reactor fuel on the Korean Peninsula. But these agreements have proved largely nominal. The June summit offered the hope that these agreements might prove more enduring. The 1994 Agreed Framework provides the North with light water reactors (LWRs) and heavy fuel oil in exchange for freezing, and ultimately dismantling, elements of their nuclear program. The Agreed Framework continues to be an effective non-proliferation initiative. It has successfully frozen North Korea's graphite moderated reactors, and kept the North as a party to treaty on non-proliferation of nuclear weapons (although delaying compliance with the safeguards agreement until the LWRs near completion). The 1999 inspection of the suspected nuclear underground facility at Kumchang-ni substantiated North Korea's claim that they are not operating a nuclear weapons facility at that location and that the Agreed Framework was not abrogated. A subsequent inspection of the facility in May 2000 reaffirmed that assessment. The nuclear freeze remains in effect at Yongbyon and Taechon and the DPRK appears to have adhered to its obligations under the agreement. More recently, the DPRK publicly reaffirmed its moratorium on test firing long-range missiles.
10. The North Korean military threat remains formidable despite worsening economic problems, and continues to destabilize Northeast Asia. The ROK has expended considerable effort to enhance its military capability. A clear US commitment remains essential to ROK security and peninsular stability. The way to block Pyongyang's military option is to insure that the ROK-US alliance is healthy and responsive. A strong and credible ROK-US military alliance provides the foundation of deterrence supporting the increasing pace of diplomatic activity with the DPRK.

DETERRENCE AND DEFENSE ON THE KOREAN PENINSULA

1. The peninsula is viewed as an accurate barometer of the security environment in Northeast Asia, and it remains the most destabilizing factor and largest source of regional tension. The Korean Peninsula is potentially a very volatile arena—dominated by sharp ideological confrontation and backed-up by massive military force. The DPRK is the most critical factor for any positive security developments in Northeast Asia. Unfortunately, the DPRK has chosen to threaten the region with a large build-up of offensive conventional forces and chemical weapons, a quest for nuclear and biological weapons, and the development and sale of ballistic missiles. Until the nuclear issue is fully resolved and the DPRK's conventional military power is advantage reduced, prudent efforts must be continued by the ROK and US to improve overall defense capabilities on the Korean Peninsula.
2. The ROK - US security alliance remains central to the South's overall defense. Additional weaponry can enhance ROK combat power, but it cannot provide the strategic deterrent supplied by a credible US military presence on the Korean Peninsula and timely reinforcement capability.

EXPECTED SECURITY DEVELOPMENTS

1. North Korea. The DPRK continues to augment the forward corps with additional artillery systems, large numbers of long-range artillery and multiple-rocket launchers, and continues to press development of weapons of mass destruction and their associated delivery systems. The North Korean leadership is intent on having a force structure in place that gives it a credible near-term offensive military option; a potent defense; and political leverage against regional actors. There is a possibility of the threat of overt nuclear material processing as leverage for outside aid.
2. The recent presidential summit has generated enormous hope and euphoria in the Korean public and June 13, 2000 could very well be the watershed event leading to peaceful coexistence on the peninsula. However, as of the writing of this report at this point, insufficient evidence exists to conclude whether Kim, Jong Il desires to enter the community of responsible nations, or is simply extracting external material aid and offering little of substance in return. There is little evidence that North Korea will undergo significant economic reform to rectify their societal decline, but rather rely on massive infusions of outside assistance. The history of North Korean behavior and previous periods of hope in 1972, 83, and 92 indicate the need for progressing with great caution. Although the US views the recent move toward reconciliation on the Korean Peninsula with optimism, it is an optimism tempered with caution borne of our historical experience of dealing with the North Koreans over five decades. Until the North-South, South and US-DPRK dialogues result in tangible tension reduction and confidence building measures, the regional instability and risks remain. At the same time, the US is committed to supporting the Republic of Korea and President Kim's efforts to promote reconciliation on the Korean Peninsula as the most likely route to real peace and stability in the region.
3. ROK force improvements in the late 1980s and 1990s were significant. The ROK military is a powerful, credible, professional military, which continues and continuing to modernize and improve. The ROK also is studying their future force structure for both a pre and post unified Korea. The Minister of National Defense established a Defense Reform Committee to study the US revolution in military affairs and develop future ROK force structure alternatives.

SUMMARY

The June 2000 summit offers hope to the peninsula that has been absent since 1992. . At the time of this writing, it is too early to predict the long-term impact of the summit and North-South dialogues, but it is clear that there has been a significant change on the peninsula. However, continued economic malaise in the DPRK, possible internal security or economic problems and the specter of continued brinkmanship, could contribute to regional instability and result in renewed military aggression by the North. The combined US and ROK forces are a strong and potent deterrent. Until North Korea's conventional military threat is significantly reduced and its quest for nuclear weapons is eliminated, the Korean Peninsula remains a dangerous theater.