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TRANSCRIPT

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Looking Forward: The Future of United States-Japan-Korea Trilateral Relations
Panel 1: New Administrations and New Frontiers of Cooperation

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FEATURING

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Nicholas Szechenyi: All right. Welcome back, everyone. We want to keep this very dynamic conversation moving, so thank you very much.

My name is Nick Szechenyi. I'm the vice president of the Geopolitics and Foreign Policy Department, and a senior fellow with the Japan chair here at CSIS. And it's really my honor to moderate this discussion with a distinguished panel of experts who will talk about new frontiers for trilateral cooperation between the U.S., Japan, and South Korea.

My job is to say as little as possible and let them shine. And I promise I will do that. But let me introduce the panel to you first, and then we'll get started.

To my left is Cynthia Cook, a senior fellow in the Defense and Security Department here at CSIS. She's widely published on defense acquisition policy and organization, the defense industrial base, new technology development, weapon systems production and sustainment. And if you look at her bio on our website, you will see a series of studies she's done with allies and partners in Asia, including Japan and Korea. So welcome, Cynthia.

Next to her is Junya Nishino, a professor at the Department of Political Science at Keio University. Very famous for his dedication to and knowledge of Japan-Korea relations. He received his Ph.D. in political science from Yonsei University. And his research focuses on contemporary Korean politics, international relations of East Asia, and Japan-Korea relations.

In the middle of our panel is Dr. Kristi Govella, who recently joined us here at CSIS as a senior advisor and Japan chair. She's also associate professor of Japanese politics and international relations at the University of Oxford. Also studying a variety of issues, from economic statecraft, government-business relations, institutional architecture in Asia, military issues, emerging technologies. We could not have a more versatile colleague to join us here at CSIS, so thank you for that.

Also delighted to introduce, next to her, Professor Gwanhoo Lee, who's the chair of the Department of Information Technology and Analytics at American University. He teaches on a variety of topics, including business intelligence, digital leadership and strategy, and project management. He'll be speaking primarily about AI and digital transformation, which is one of his core areas of expertise. So welcome to you.

And last, but not least – it feels like you're in Rosslyn, this panel is so big – (laughter) – Jane Nakano is a senior fellow in the Energy Security and Climate Change Program here at CSIS. And she focuses on U.S. energy policy, geopolitics of energy, and global market developments in areas such as natural gas, hydrogen, nuclear energy, and critical minerals.

So just having heard their introductions, I'm sure you've already deduced that my colleagues here are very well qualified to tee up areas for trilateral cooperation as we think about how to sustain this important relationship into the future. So let's get started. Kristi, maybe I'll start with you to kick us off. Your perspective on the trilateral relationship, and some challenges and opportunities you see going forward?

Kristi Govella: Great. Thank you. Well, it's a delight to be on this panel and at this conference at such a timely moment to talk about this.

I thought I would offer some broader comments on economic security as a scene setter for this panel, in a sense. As we've already talked about today, the U.S., Japan, and South Korea all face a number of challenges, and have become well aware of economic vulnerabilities because of things like the COVID pandemic, economic coercion from China, the Ukraine war, et cetera. So we've seen all of these countries designate economic security as a top priority. And domestically, they've been developing tools in order to mitigate and respond to threats. And they've also engaged trilaterally, which we saw a lot over the last two years.

So I think my colleagues are going to focus on some of the newer areas that we've been talking about lately, such as shipbuilding, LNG, small modular nuclear reactors, et cetera. But I do think that it's important to take a step back and look at where we've come from. And I think one of the big benefits of the Camp David trilateral summit was this really high-level strategic engagement and reinvigoration of cooperation across a huge variety of topics. So really, we've talked about many of the topics that we want to cooperate on. (Laughs.) It's really now a question of figuring out how we make those issues fit the domestic agendas of the new administrations, and how we move forward. So we've already talked, for example, together about AI, semiconductors, quantum, cybersecurity, biotech, space, and so many other things.

So one comment I want to make before I get into a few issues that I want to highlight is about the fact that there's really not a common consensus about the definition of economic security among any countries, and not even within these three very close partners. And I think that's important to remember. And I've written a bit about this. And I think what we see is really three overlapping and, in some senses, complementary, but sometimes conflicting priorities. One is what I call resilience, which is reducing risks from disruption or interference. The second is competitiveness, which is promoting domestic economic capabilities through industrial policy, et cetera. And the third we could think of as protection, or perhaps protectionism, which is really restricting or disadvantaging foreign competitors vis-à-vis our own companies, for various reasons, perhaps due to security concerns.

So we already saw differences in how Japan, South Korea, and the U.S. defined economic security in the previous Kishida/Biden/Yoon administrations. We saw that Japan and Korea were more focused on issues of resilience and competitiveness, and the U.S. was too but there was always a heavier element of leaning in on export controls, overseas – outward-bound investment restrictions, and these kinds of things that were less comfortable for our Japanese and Korean partners, we could say. And now under the current Trump/Ishiba/Lee set of administrations, we see that this difference is widening as the Trump administration has leaned heavier into those kinds of tools, such as tariffs, for example.

So the future of economic security cooperation really will rely on how these policymakers choose to balance these different concerns. And this is a natural tension in some ways because the countries are key security allies, but they're also economic competitors. And that's natural. So how do we sort of square this circle, or make these two things mesh? So, that being said, I think there are clear areas where we can continue to talk about issues that are critical to the strategic interests of the three countries. If we're thinking about resilience, then diversification of things like critical mineral supply chains are clear. Those require the three countries to think about what they need for their, you know, essential defense and other kinds of technology supply chains. And they have clear threats that they need to address. And this is also a situation where broader cooperation with things like the Mineral Security Partnership are clearly necessary, because they can't solve the problem on their own.

If we think about meshing the goal of competitiveness and trying to promote economic growth in industry, as well as address resilience, I think that space cooperation is a great thing to think about amongst the three countries. Space, as many people in this room will know, is interesting because it's a dual-use technology that has both civilian and military applications. We've seen Korea invest a lot in space in recent years. Both Japan and Korea have been stepping up bilateral cooperation with the U.S. And there is a lot of opportunity to think about how to work together on civil, commercial, and even military applications moving forward. It's a really nice complementary area that has already been discussed, again, in the trilateral, but has more room for discussion. And even on issues of governance and regulation, there is room to work together on shared issues like orbital debris, for example.

And the last one I'll highlight is the importance of secure telecommunications, our infrastructure. So with space you have satellites, things like undersea cables. We talked a lot about open RAN and the last two administrations, so I'm sure we'll talk about it again. But these are all areas where, again, there are opportunities to promote economic interest domestically and also address real security concerns. So I think that it's clear

that we already have quite a big agenda, and that some of the things that we discussed in the past will have to be – you know, we'll have to push them to new frontiers of cooperation moving forward. But it's really about how to mesh these things with our domestic politics and to reaffirm that the new administrations are still – where they still have shared and overlapping interests.

The last point I'll say is that I think we also need to think about the rapid pace at which countries are trying to address economic security issues, and all the domestic tools that they're developing, and how we can consult and coordinate and perhaps even harmonize in some areas where possible. But that may become more difficult with the directions that politics are going. So I'll stop there.

Mr. Szechenyi: Great. Thanks, Kristi. I really like the way you frame the conversation on economic security in terms of how to define it. And I think balancing resilience, competition, and the protection of sensitive technologies is a really clear way to do that. I want to take advantage of your active engagement with our European colleagues and also pick up on something Secretary Campbell said earlier about the importance of connecting Europe to the Indo-Pacific, to ask you, on economic security – of course, this is an area we should develop trilaterally. But if you think about the networking dimension to this, how do you think the U.S., Japan, and South Korea can generate more coordination and exchange of opinions on this important topic with other partners?

Dr. Govella I mean, I think that part of the real value and potential of U.S., Japan, Korea cooperation, in a lot of ways, is the fact that these three countries are at the heart of so many other minilateral and multilateral organizations. So most of the problems that the countries face in terms of economic security are not problems that one, two, or three countries can solve on their own. So, you know, I already talked about with critical minerals the fact that there are broader things, like the Mineral Security Partnership, where they bring together 15 countries and the EU to look at these things. And countries that have different capabilities, for example, they're actually home to critical minerals. (Laughs.) And so you have to, you know, build networks of countries that have capabilities.

On other issues, we can think about supply chain resilience being a huge issue where companies need to be able to work across a variety of places with different kinds of economic advantages. And so we saw a lot of dialogs about this. We don't really talk about the Indo-Pacific Economic Framework anymore, but there are a lot of structures that have been set up and could be adapted, and need to be adapted, if we're serious about this. But then – you know, so I think we can think about on security, to the NATO IP4. We can think about all kinds of things where really these three countries can work

together. But, again, it's about, you know, reaffirming the mix of the domestic and then also the external. So thinking about what the priorities are and who the partners should be for each of these issues.

Mr. Szechenyi: Excellent. Thank you. And thanks for getting us started. Professor Nishino, let me turn to you. I think it's fair to say that we're off to a good start in terms of Japan-Korea relations. President Lee and Prime Minister Ishiba just met on the margins of the G-7. I believe the Japanese Embassy in Seoul hosted an event this year – this week, to commemorate the anniversary. I think there was a shared interest in looking to the future, embracing the theme of this conference today. And getting to what was mentioned earlier, about the fundamental importance of security cooperation, just today we had a trilateral U.S., Japan, ROK air exercise in the region. So that's a great, sort of, way to frame this conversation. Lot of positive activity. A lot of momentum. But why don't you share with us your perspective, both on Japan-Korea relations and where you – where you see the trilateral headed. Welcome.

Junya Nishino: So thank you for inviting me to this conference and giving the opportunity to speak on trilateral cooperation, especially this panel. The topic is economic security among Japan, U.S., and South Korea. Firstly, I'll take this topic in five minutes.

So two years ago, the Camp David trilateral summit opened a new chapter in Japan-U.S.-South Korea relations. While all three leaders from that historic meeting have since been replaced, it is encouraging that two trilateral foreign ministers' meetings have already taken place this year in Munich and in Brussels. This continuity underscores a renewed political commitment to trilateral cooperation amidst global uncertainty. At the same time, economic security has emerged as a central priority, not only for the United States and Japan, but also for South Korea's newly inaugurated President Lee Jae-myung, who has explicitly framed it as a pillar of foreign security policy in his presidential election process.

Furthermore, this year marks the 60th anniversary of the normalization of the diplomatic ties between Japan and South Korea. One of the most significant transformations over these six decades is that Japan and South Korea have become equal partners, especially in economic aspects. And yet, as equals, we also find ourselves as intense competitors. This makes identifying areas of mutually beneficial cooperation more difficult, but also more meaningful. So today I want to point out three agendas of economic security cooperation outlined in recent trilateral foreign minister joint statement. First, defending Korean fair trade against economic coercion. Number two, diversifying critical supply – critical supply chains. And, lastly, promoting maritime security and shipbuilding resilience.

So, first, defending Korea's trade today requires more than resisting economic coercion. It requires actively building resilience, both at home and abroad. Japan, South Korea, and the U.S. must strengthen critical supply chain in strategic sectors like semiconductors, rare earths, and green technologies. But we must also support our partners in the Global South who are increasingly vulnerable to coercive trade practices and debt-based dependency.

Then we could propose launching a kind of trilateral economic resilience initiative focused on, number one, early warning mechanism for politically driven supply disruptions. Number two, joint investment in resource-rich, but fragile, economies to diversify sourcing. And, number three, capacity building program to help developing nations strengthen their trade governance and digital infrastructure. So by working with Global South, especially in the Indo-Pacific region, Japan-U.S.-ROK partnership can lead a broader coalition to uphold an open, rule's-based international economic order, and ensure that no nations stand alone in the face of economic pressure.

The second, three countries are already actively collaborating under the Mineral Security Partnership, or MSP, to diversify critical mineral supply chain. While MSP is valuable platform, its future remains uncertain under the Trump administration. Therefore, Japan and South Korea should work together to ensure that U.S. – ensure that the U.S. continues to engage constructively in this framework.

The Trump – lastly, the Trump administration is prioritizing the revival of America's shipbuilding industry to counter China's overwhelming maritime expansion. China now builds over 70 percent of world's new ships. So lacking sufficient domestic capacity, the U.S. is turning to its key allies, South Korea and Japan, the world's second- and third-largest shipbuilders. This trilateral cooperation serves not only strategic but all – but economic interests for all three nations. So, first, co-building – co-developing commercial vessels compatible for military use boosts demand and foster innovation, especially as China is aggressively trying to build dual-use ships.

The second, expanding MRO – maintenance, repair, and overhaul – of U.S. Navy ships at Japanese and South Korean civilian shipyard creates high-value jobs and the long-term industrial stability. And lastly, encouraging Japanese and South Korean investment in the U.S. shipyard revitalize America's interest industry while offering Asian firms access to the U.S. defense market. So together, this collaboration enhances regional security while strengthening each country's shipbuilding ecosystem and generating shared economic benefit.

I'll stop here. Thank you.

Mr. Szechenyi: Thank you very much. I'm scribbling furiously, developing the agenda for our track two U.S.-Japan-Korea dialog in the future. But really appreciated your framing as well in terms of resisting economic coercion, protecting supply chains, and cooperating on maritime security.

Professor Nishino, was I was struck by your comments because, from my vantage point, it seems like one of the challenges in Japan-Korea and U.S.-Japan-Korea relations historically has been somewhat divergent views on how to manage the rise of China. But what I think you've done here very eloquently is lay out an agenda for how the three countries can engage on this and compete with China in the region. Do you think Japan and Korea have converging views on this topic? I would just welcome you to elaborate on that.

Dr. Nishino: Well, frankly speaking, new regime, administration, have a bit different view towards China. I think, as President Lee mentioned in his presidential campaign, his government, Korean government, tries to improve tie with China and Russia. And at the same time, he also mentioned that he will – he definitely continue to uphold trilateral cooperation among our three countries. But this means that anyhow the South Korea new administration try to maintain with China.

And this may cause kind of friction and divergent view between Japan and Tokyo and Seoul in regarding – in addressing China. I really hope that this – the divergent view and different policy may not cause the friction between the two countries. The two countries, and also we three countries, needed to closely coordinate our policies in dealing with China, and as well as Russia, and other international situations.

Mr. Szechenyi: Excellent. Thank you.

Professor Lee, over to you. Definitely a new frontier, AI. Please, welcome.

Gwanhoo Lee: Thank you so much. My background is technology and businesses, so in my remark I will focus on trilateral cooperation on artificial intelligence. So AI is no longer just emerging technology. It has become a transformative force shaping nation economies, security, and also global balance of power. So as the U.S., Japan, and Korea navigate this new era, our collective ability to innovate and govern and deploy AI responsibly will define our future prosperity and security.

So to build an effective partnership, we must first understand each country's unique position in the global AI ecosystem. So obviously, the United States stands as the dominant leader in the AI space, particularly in the development of large-scale, general-purpose foundation models. You know, thanks to its big tech companies. And also, U.S. benefits from massive

government and corporate investment in R&D and infrastructure. Korea possesses a very dynamic technology sector, and the world-class capabilities in semiconductor manufacturing, and also the digital infrastructure. And also, it has a rapidly evolving AI ecosystem, as we speak.

Korea has laid out a very ambitious national goal to be a top-three AI powerhouse in the near future, and also demonstrate the global leadership by hosting AI Seoul Summit last year. But despite these all positives and all the strengths, it faces significant challenges, especially in terms of attracting and retaining top-tier talent due to brain drain and also decline in population, as well as less competitive compensation compared to U.S. and other leading countries. It also confronts shortages in high-quality datasets and computing infrastructure.

Japan brings a highly advanced industrial base, renowned for precision engineering and the robotics, and also strength in fundamental scientific research. Its government has launched the national strategy to become the world's most AI friendly country. And Japan has won leadership – shown leadership in governance by establishing Asia's first AI Safety Institute and also spearheading the Hiroshima AI process. However, like Korea, Japan faces demographic challenges that impact its talent pipeline and also experience a relative deficit in the quantity and quality of datasets that train the AI models.

Successful partnership will be built upon a shared vision and also framework that leverages our collective strengths. I'd like to make three points here. First, the U.S., Korea, and Japan, we are all democratic and industrialized nations. This common ground provides a powerful foundation for setting global norms and standards. Second, our three nations can create a powerful innovation ecosystem when combined. The U.S. can provide the leadership in foundation models and global platforms.

Korea can offer the world-leading semiconductor manufacturing and also technological agility. And Japan contributes expertise in robotics and application of AI for science. Third, geopolitical competition has led to the fragmentation of the global AI ecosystem. This makes our cooperation not only just beneficial, but also essential. Together, we can more effectively address shared challenges such as the high cost of infrastructure, a global talent shortage, and also the need for diverse and high-quality dataset.

Now, to operationalize this framework, we must establish specific and actionable pathways for collaboration. I'll share a few ideas. First, we should create trilateral R&D initiatives. And these could focus on grand challenges, such as high-cost – developing next-generation AI architecture and building ecofriendly infrastructure. Second, our nation should be exploring shared or interoperable AI computing infrastructure, because it's very costly, and also

we must also deepen our collaboration on semiconductor supply chain, as you mentioned earlier, combining U.S. design, Korean manufacturing, and Japanese equipment and materials, in order to ensure stable supply of advanced chips.

Third, building on the foundations of Hiroshima AI process and AI Seoul Summit, we should work together to harmonize our AI governance frameworks. And then for it, we must collectively address the human capital challenges I mentioned earlier by creating joint educational programs, researcher exchange initiatives, and streamline the visa processes to foster fluid trilateral talent pool.

So in conclusion, by aligning our strategy and combining our strengths we can lead a world in building an AI future that is not only innovative and competitive, but also safe, equitable, and also aligned with our shared democratic values. Thank you very much.

Mr. Szechenyi: Great. Thank you very much. Really eloquent summary of the respective strengths of the three countries. And you also outlined a very compelling agenda for action in the AI space. I want to just follow up briefly on one of your four recommendations, which is the one related to AI governance. And I appreciated your reference to the Hiroshima G-7 AI process a couple of years ago. But it seems in the – in recent months, if you think about the discussion at the AI Action Summit, an executive order issued by the Trump administration, I sort of sense of shift from so-called, you know, regulation, governance, security, towards innovation. Both very important, but it seems like there's a difficult balancing act there.

So, Professor Lee, I would just welcome your perspective on the governance piece. How do we manage this tension between security and managing the risks associated with AI, and fostering innovation and economic growth into the future?

Dr. Lee: Yeah, that's a great and also a very tough question to address. When it comes to AI governance, we always have to balance safety and also innovation. But then, if you look at, for example, EU, they really focus on regulation and safety over innovation, partly because, in my own view, maybe I'm wrong, but they're fearing that they'll be dominated by U.S. or other countries' AI products and services. So they wanted to make sure that, you know, they protected their consumers and that they focus on regulation and law.

Korea recently passed AI basic law, also trying to protect consumers and protect individual privacy, but without stifling innovation. As you mentioned U.S. has shifted a little bit toward more pro-innovation policy. I think the reason, obviously, is we don't want to be – get behind in terms of AI race, you know, with other countries, especially China. So establishing AI that is safe is

a very important and essential mandate. But more important mandate for us is, you know, maintaining our leadership in AI space. That's probably why the current administration is moving toward more pro-innovation, you know, policy. But there is – there will be always a balancing act between safety and innovation, yeah.

Mr. Szechenyi: Excellent. Excellent. Thank you. And just a great topic for not only trilateral coordination, but coordinated leadership globally going forward. So thank you.

Jane, over to you. It seems like there's a lot of potential in the energy space. Senator Sullivan shared some thoughts on that topic. But clearly there are a whole range of issue areas where these three countries can be coordinating strategies. So welcome your thoughts on that.

Jane Nakano: Yeah. Thank you so much, Nick. So our three countries do have some, you know, priorities that may actually change depending on the political cycle. It's natural. It's what it is. Three, you know, democratic countries. But sometimes that could also, you know, sort of affect the scope of trilateral cooperation. For example, right at the moment Washington is very much focused on energy dominance, primarily fossil fuels, but then also nuclear, things like carbon capture. Those are very key to how the United States seeks to enhance its energy security.

Japan has been focused on – or, around this theme of energy transformation. You know, busy introducing, you know, a lot of active measures, like GX bond, emissions trading, really, you know, tightly sort of having the synergy between industrial competitiveness and decarbonization. And Korea's – you know, the Blue House, you know, President Lee has introduced this energy expressway, and very much looking to, you know, refocus on renewable energy, and perhaps, you know, maybe less on the fossil fuels but still, you know, nuclear seems to be part of the, you know, how South Korea seeks to enhance its energy security.

The good news is, you know, despite these – some of the changes in the priorities, the good news is that the three countries still have lot of expertise in several different energy technologies and resources that really can, you know, advance not just the energy security, but then also decarbonization. The first that comes to my mind is actually the battery technologies. You know, battery – you know, energy storage technologies are not just good for, you know, EVs – or, important for EVs, and thus decarbonization. We need battery storage solution for more of a grid resiliency, overall energy security, system security.

And, you know, South Korea is the top foreign investor into the U.S. battery supply chains. But when you look at sort of global picture, you know, China is

really dominating. But, you know, I think, roughly, probably – you know, less than a quarter of the global capacity in, you know, lithium ion battery manufacturing comes from South Korea and Japan. So as the United States seeks to really look at more of a system resiliency and some of the solutions that the battery technology can bring to some of the geopolitical, but geoeconomic sort of, you know, solutions, I think, you know, that cooperation is – you know, the benefit of cooperation is so obvious.

Just quickly, I think Rhodium Group recently released a couple numbers. For example, when you look at the pipeline of new battery investments in the United States, you know, South Korea is the number-one contributor, I think $37 billion, followed by Japan at about $27 billion. And the third category of companies are U.S. companies. I think it's about 12 billion (dollars), if I'm not mistaken. But these, you know, three – you know, and it's not – it's not – governments do, you know, send very important signals and send signals. But the companies are very active. So it's extremely encouraging, right?

Also I definitely want to touch upon critical minerals. I think my colleagues have already spoken very, you know, eloquently about the benefits. There, too, I think, you know, the several ingredients of China's success are vertical integration, the scale, but then also sort of a patient capital. So as the United States under the Trump administration is really, you know, trying to get much more active in U.S. domestic mining, I think maybe there is a more scope for cooperation with the Japanese companies and Korean companies investing in the U.S. upstreams. But then also, again, you know, broadly overseas, to be able to have more of a patient capital that could really compete vis-à-vis some of the Chinese state and Chinese company endeavors abroad.

And then I also wanted to mention nuclear. I think nuclear is, you know, very – it just – it has so much strategic value. It's not just energy security. It's the geoeconomics, geopolitics. In the U.S. it's part of the solution to meeting the AI energy demand. So it's sort of – has so many multiple dimensions. I think, you know, for the Trump administration, you know, recently there was a set of four different executive orders that came out. And one of them is calling for quadrupling of our installed nuclear capacity between now and 2050 – extremely ambitious goal. But, you know, that's the direction. You know, that's the direction, right? And, and it's, you know, under the Biden administration, it was tripling, but the direction is, you know, here to stay.

Japan, under the latest seventh strategic energy plan, is now looking to no longer sort of phase out nuclear. That's, again, sort of an important part of the solution to meeting its industrial competitiveness. And when it comes to Korea under the energy expressway framework, you know, the domestic existing fleet seems to have, you know, support. You know, let's keep the 26-unit, you know, fleet. When it comes to small modular advanced reactors, I

think there's still, you know, important scope for development and exports overseas. There are several Korean companies that are closely working with the U.S. companies to, you know, look at the global supply chains.

How could some of the U.S. advanced reactors benefit from strong supply chains that Korea and Japan can bring to the table? In part to have more diverse options for the global marketplace, but there's certainly the element of competition in the context of, sort of, China and the West. So that's another important area. And also the nuclear fuel supply chain is another one, but I don't want to go too much into it.

Last but not least – but certainly, actually, there are quite a few other areas. But, you know, Nick, you touched upon LNG a little bit. I think that's also where, you know, Japanese companies and Korean companies have been part of this success story that we've been seeing since about 2008, the so-called shale revolution. You know, these – you know, not just the governments, Tokyo and Seoul, but the companies have been – have, you know, been part of the U.S. rise as the major global exporter that really has enhanced energy security in Indo-Pacific.

But then, look, you know, what we were just witnessed in Europe. You know, the U.S. LNG has given a lot of alternatives to European economies that really, you know, took the huge hit from the Russian weaponization of energy resources, such as LNG. So I think, you know, there's still a lot that we can cooperate. And the – I think in many ways these are where we do – the three countries have expertise, but then that also can really multiply for the regional economies. Some of the non-OECD, Asian economies can still benefit from what the three countries can bring. Not just the stability, but then also prosperity of the region and around the world. Thank you. Let me stop there, Nick.

Mr. Szechenyi: Great. Thank you, Jane. A really comprehensive overview of opportunities in the energy space. Let me just follow up briefly on LNG. I mean, obviously it features prominently in the context of the economic relationship Japan and Korea both have with the U.S., especially tariff negotiations, ways to reduce trade imbalances in the near term, perhaps. But I think you stated very eloquently that this is not only about that, but about energy security and supporting the foundations of not only energy dominance, to use a popular phrase, but also security going forward. So can you talk a little bit about that? Just sort of the trend line. You know, not just near term, but where you can where you see this evolving on a more long-term time horizon?

Ms. Nakano: Sure. Yeah, thanks, Nick. I think LNG, or natural gas in general, is still, you know, very much part of the solution to addressing energy poverty issues. But then also, it's very much about energy security and geopolitics. And when you look at something like, you know, for example, Japan's strategic

energy plan, it's very clear that Tokyo, at least, sees it as part of the orderly energy transition. And, you know, when it comes to the United States, you know, I think there is – you know, depending on the administration, there's sort of a different emphasis on what LNG means to the – not just the domestic economy, but for some of the decarbonization agenda around the world. But I think there's still so much of coal to gas switch benefit that the natural gas is bringing.

In Korea's case, you know, Korea is also sort of resource-constrained country, and that has been part of this story. But particularly when it comes to, you know, geoeconomics, you know, Alaska. Obviously, I think that's sort of in the back of many of our minds. You know, the – as we are starting to witness, not just sort of individual Russian and Chinese interest in the Arctic, and Alaska having such a strategic location, it's the coordination between Moscow and Beijing, you know, that we really have to think about strategically.

But within this context, though, even, you know, there are so many different ways that we can collaborate. You know, one of the beauties of the U.S. LNG exports is, you know, it's, you know, much more linked to the gas – you know, domestic gas. I think Alaska dynamics are quite different from the lower 48, but to the extent that it can give more options. And then perhaps the – you know, the destination – you know, the cargos that are free from the destination restrictions can really allow U.S. partners, like, you know, Japan and Korea, to be able to see the LNG ties, to be part of their sort of geoeconomic, you know, positive engagements with resource-poor countries around the world, including in Southeast Asia, that, again, may be still looking to see, you know, what are the options that can really help them address the dual challenge of decarbonization and energy security.

Mr. Szechenyi: Excellent. Thank you very much.

Last but not least, Cynthia, welcome your comments on strengthening supply chains, defined broadly. Over to you. Thank you.

Cynthia Cook: Thanks, Nick. I will start off by saying that it is difficult to follow such a distinguished panel because so many of the themes that I wanted to talk to you about today have been covered. So thank you for your – for your thoughtful remarks, and sorry for the repetition you're about to hear. (Laughs.) I do want to say that I take – in my work, I take a very specific national security framework. So that kind of is a narrower focus than some of the comments we've already heard. But it is also an urgent focus that is a clear consideration of the new administration, the working with allies and partners to deter aggression in the Indo-Pacific – that was part of Secretary Hegseth's initial message to the force.

It also aligns with initiatives of the last administration. And Dr. LaPlante, the undersecretary of defense for acquisition and sustainment, was pretty blunt that – you know, in his statement, that production is deterrence. And working with allies and partners is a way of expanding production and enhancing deterrence. There are several initiatives already focused on this, including the Partnership for Indo-Pacific Industrial Resilience, or PIPIR, the Regional Sustainment Framework, which looks at maintenance, repair, and overhaul with allies, and also DICAS, which is specific to Japan.

So these typically have a bilateral focus with the United States at the center, but they also provide a strong foundation for minilateral cooperation, and also highlight that the United States is interested in these from a security perspective. Following up our initial remarks, of course, it is COVID, semiconductor shortages, and a variety of urgent supply chain and industrial-base challenges revealed by support for Ukraine and its self-defense against Russia's aggression. So supply chain and industrial resilience questions and defense manufacturing in the defense industrial base are clearly understood now as strategic issues in a way they haven't in the past – been in the past.

And we also recognize that China is more willing to engage in economic coercion through the withholding of critical minerals and other capabilities that they have. They're really key to the world's production supply chain. So cooperation with allies to expand our resilience and own manufacturing strength is both a counter to the potential for resilience, but can also – for coercion – but can also be helpful for strengthening our own economies. So it's it has a lot of benefits there.

So I'd like to highlight four different aspects, or frameworks, or things to consider with industrial cooperation. The first is how it offers resilience through diversification. There are trilateral forums already in place that could be built on to better align industrial strategies and risk assessments. The three nations could cooperate on upstream investments in areas where potential adversaries have a leadership position – rare earths, critical minerals, specialty chemicals. You've heard these over and over again. And again, another aspect of resilience is friend-shoring to bring capabilities closer to the potential threat. If the United States does find itself in a conflict it is going to be very difficult to bring things from the United States to wherever the fight is, because of contested logistics. So that's the – that's the first framework, which is resilience.

A second is one that focuses on taking advantage of Korea and Japan's industrial strengths, which are in areas of innovation like advanced manufacturing, robotics, semiconductors. So, again, growing our work together by focusing on areas of strength. And we can do this through joint R&D initiatives, workforce exchange programs, standard setting,

partnerships, trilateral innovation hubs. My only caveat here is that it's much easier to say than to do. We have the AUKUS framework and pillar two there is focused specifically on emerging technologies. But, again, it's just really hard to actually go from the big picture strategic frameworks to the eaches and everys, where requirements are jointly set and contracts are provided to companies for them to actually deliver new capabilities. So getting from the idea to the execution is something that requires a real strong implementation focus.

Highlighting defense industrial integration beyond the specific supply chain focus. My colleague mentioned shipbuilding. That's something that we're working on here at CSIS, looking at the – how we can deal with challenges in the United States' shipbuilding industrial base through cooperation with the Republic of Korea, with Japan. I would note that our study is more – is a bilateral study. So it's not focused on how the three nations together can cooperate on shipbuilding. But it is important as a first step to understand that there are opportunities for the United States to work with allies on shipbuilding. Other aspects of cooperation here could include shared stockpiles of key long-term components for manufacturing, a focus on forward maintenance. There's just a lot of different options for the three nations to work together to enhance our joint security.

There's also a fourth one I'd like to highlight, which is that we understand China as the world's manufacturing powerhouse, which it is. But they are not experts in every single area relating to manufacturing. So as they are looking to us to see how they can engage in economic coercion, the three nations can get together and try to understand where we dominate the world, and develop a strategy to counter economic coercion, by perhaps considering withholding our own exports. So that's a fourth area.

Again, getting back to the implementation focus, bilateral cooperation is hard enough. We've seen that over and over again. So trilateral cooperation, it's not – it's not twice as hard, it's not three times as hard, I would say it's four times as challenging, because each nation has its own bilateral relationship, and then we have to manage the relationship as a whole. That doesn't mean it's impossible, but it just needs to be understood as a challenge. So working together on questions of export controls, on screening to prevent adversarial investments without stifling coordination or investments.

Trilateral working groups on standards to keep momentum, be on summits, standards, and other topics as well. And then finally, engaging in things like trilateral TTX, tabletop exercises, to try to understand chokepoints, to develop the relationships, and enhance communication and cooperation ahead of urgent need. Let's start now to think about how we can engage in investments in collective resilience. And really, the bottom line is that a trilateral supply chain partnership will help all of us beyond any bilateral

relationship. So investing in thinking about that and in executing that is – would be a strong contribution to national security for all three nations.

Mr. Szechenyi: Great. Thank you, Cynthia. I really like the way you framed defense industrial cooperation in terms of integration, in other words interoperability, between our militaries, economic efficiency, obviously, and then – and technology and innovation. Very thoughtful laydown of potential in this area. I just want to follow up briefly on the shipbuilding piece you referenced, recognizing that you haven't examined this in a trilateral context, but very interested in your observations on how allies like Japan and Korea can explore shipbuilding as an arena to strengthen the U.S. industrial base.

Dr. Cook: Well, my colleague to the left captured three different vectors of cooperation, which include – and I'll reframe slightly – so, modular constructions where they can build part of U.S. ships. We can have our allies purchasing U.S. shipyards, as has happened with – recently, with Hanwha and Philly Shipyards, and there's other examples of that as well. We can engage in more maintenance, repair, and overhaul, to expand ship availability. And one that you did not mention, which is the most sensitive, which is actually buying ships from our allies, from Japan and Korea. And I personally think that everything needs to be on the table right now to address the challenge of the U.S. shipbuilding industrial base, with the caveat that there are known challenges and regulatory barriers.

Right now in the United States it is against the law to buy ships from foreign partners, or even large modules. So the question is, what are the most important issues right now? Is it our shipbuilding challenge, or is it other considerations and concerns that have shaped the ability of the United States to buy ships in the past? I think you highlighted one of the key areas, which is that we know from other industries that Japan and Korea are leaders in manufacturing technologies. Let's, for a first step, bring in some expertise from those nations, and try to enhance our own shipbuilding capability and capacity.

Mr. Szechenyi: Great. Thank you very much. Well, we've covered a wide range of issues in a short period of time. And you all have been very patient, so this is an opportunity for the audience to ask questions. Please identify yourself. And if you can, direct your question to a particular expert on the panel. I guess we'll start in the audience. Would anyone like to get us going? Over here.

Q: Thank you. My name is Marcos Rahmeyer-Lara. I'm a recent graduate from George Mason University with a master's in international security.

So my question today, I'm not entirely sure who I should address it to because it's more broadly looking at the relationship between the three allies in a more political sense. And I was thinking recently there was the leaked

FSB document from the Russian side on, like, worries about – or, I guess, public friction, rather, between China and Russia on, like, the potential – of course, I don't think it's going to happen. But just the very notion of these what we've seen as, like, traditional allies against the U.S., or, like, in competition with the U.S. How they're – like, a public friction between those two states will impact the relationship between South Korea, Japan, and the U.S. in the future, if that escalates or if it is something to be, like, taken into consideration in a future dialog. Thank you.

Mr. Szechenyi: So, essentially, how the U.S., Japan, Korea are going to coordinate on the so-called authoritarian states, broadly speaking. Kristi, do you want to take a stab at that? (Laughter.) And then anyone else can chime in?

Dr. Govella: I mean, I think this is a key question, right, because, you know, in one way we're tackling the – as Cynthia so nicely put it – the challenges of trilateral cooperation amongst ourselves. But then, out there in the world the potential threats are also coordinating and becoming more complex, which then requires even more developed responses. So I think that there is a lot of concern about the issues you identified. Not a lot of concrete information about what exactly is happening, in some cases.

But China, Russia, North Korea, Iran, all of these things are being watched very carefully by the three countries. And I think add to the sense that there is an urgent need for cooperation. And that, you know, we need to be proceeding on multiple fronts to counter traditional military threats, economic security threats, and everything else – human security threats that can come from these challenges. But I think that it's very much a conversation that's in process as that situation develops and interacts with all of the policies that we've been talking about on the part of the U.S. and other regional partners. So it's quite a complex situation, but it's one that everybody is thinking about right now.

Mr. Szechenyi: Anyone else?

Dr. Cook: I think it just summarizes what the demand signal is, why it's so important to do this.

Dr. Nishino: Well, I already mentioned the potential divergent view towards China in between Tokyo and Seoul, but that at the same time also we needed to closely watching about the potential different policy and the view towards North Korea between Tokyo and the Seoul. So obviously new Lee Jae-myung administration tried to improve inter-Korean relations. And I think that the new NIC director, possible director, Mr. Lee Jong-seok, tried his efforts to mediate with North Korea.

But this means that Japanese security will be threatened by rapidly – if we see rapidly mending tie between the North and South Korea. The Lee administration tried to make his efforts to restore the military arrangement between the North and South agreed by in 2019. But this definitely will impact on Japan's security. So, again, especially Japan and South Korea, needed to closely coordinate our policy. Not only in dealing with China, but also dealing in North Korea, and other – also terrorism.

Mr. Szechenyi: Yeah. Very good reminder that we're talking about new frontiers, but also have longstanding challenges that require more coordination than ever. So, thank you. Thank you all. Other questions?

Q: Hi. My name is Gaurav Bansal. I'm currently on the House Foreign Affairs Committee as a minority staff.

I'd like to ask the panel if they have any ideas how the three legislative branches of the countries could work together in any way.

Mr. Szechenyi: Prospects for legislative exchange.

Dr. Cook: I think, if we're thinking about regulatory considerations like export controls, those offer opportunities for the three legislatures to work together. With the additional thought that coordinating among – with their industries, and learning from industries on specific challenges they face in actually trying to implement cooperation, can help identify regulatory changes that are targeted to the barriers that are most pressing and concerning for industry.

Dr. Govella: I would just add that I think this is an essential element of further strengthening and deepening the relationships between the three countries. It came up earlier today as well. But really, we need to be considering all of the different levels of interaction between Japan, South Korea, and the U.S. And, you know, everything from high-level leader summits to people-to-people exchange. And legislators are certainly key actors in interpreting the interests of their populations and, you know, translating that into policy. I think we've seen interest on the U.S. side of initiating these kinds of trilateral exchanges and dialogs. So it'll be interesting. I think it's a really important area to watch moving forward, and something that can be done regardless of specifics of cooperation.

Q: Hi. My name is Kazuwaki, a master's student from George Washington University.

I think my question is particularly directed to Professor Govella or Mr. Nishino. And my observation is about U.S.-Japan trade negotiations so far. Is there the kind of limited role economic security collaboration agenda in inducing the compromise from U.S. side, particularly regarding issues of

tariff directions, so automobile in particular? I'm just curious, what do you guys think about the potential influence with these kind of tariff negotiation and tariff issues on the kind of trajectory of economic security collaborations between U.S. and Japan? And also from trilaterally. Could it be an impediment in economic security collaborations, or can it promote further collaborations on economic security by encouraging Japan and South Korea to think about more kind of political collaborations, contribution to the U.S. in the issues of economic security? Thank you.

Dr. Nishino: Well, the positive aspect of the Trump administration trade policy is that this will be a kind of driving force to cooperate between Japan and South Korea – (laughs) – in addressing our ally, the United States. But, frankly speaking, we – especially from a Japanese perspective – we are really concerned about the current negotiation process will be severely damaging our Japanese companies' interests, and also may give some negative impact on our bilateral ties. But always, we, Japan and the United States, have a very good alliance, manage that And we – I hope that I – and I think that we can manage our partnership, not only with the United States but also the trilateral cooperation.

Dr. Govella: This is a very important question. We're seeing one of the challenges right now in all the issues we're discussing today are that, you know, new administrations inevitably reinterpret their national interests and what they consider their policies to be. And in my comments earlier, I reflected this difference in how the countries are defining economic security, which is true across all countries. They all have different definitions. So we've heard so many times, for example, from the Trump administration, that economic security is national security. But what exactly does that mean?

And so if we look at the policies so far, in this administration from the U.S. side it seems to have seen something much broader, in the sense that economic security means maintaining U.S. competitiveness. It means that the prosperity and, essentially, economic wellbeing and success of the U.S. economy is economic security. And so that definition then becomes a tension with other countries who are closely aligned, likeminded security allies, but are also economic competitors. So I think there are definitely – we've been talking about areas where there are clear win-wins, or situations in which one country cannot do it on its own for market realities or supply chain realities.

But there needs to be a discussion amongst the new administrations about what exactly they mean by economic security and other key policies, and where there are areas of overlap. With the understanding that there's domestic politics in each country, and so that just needs to be an area where they can negotiate those overlaps. But this is really important,

Mr. Szechenyi: Go ahead, Jane.

Ms. Nakano: If I may just quickly add, from the energy perspective, I think the trade does – you know, and even with, you know, these tensions with allied, you know, partners, could really, you know, increase the cost of some of the projects. (Laughs.) So I think I recently read that some of the Korean companies working on U.S. projects have seen, you know, not the material cost – you know, some of them came from more of a tariff-related, you know, sort of starting to affect the pace of the project. So that's one concern. Of course, the positive, if you will, you know, effect, could be that it could really speed up these, you know, capacity relocation into the United States – whether it's for battery manufacturing or et cetera – from both, you know, Japan and Korea.

But I think there is a bigger challenge, or potential danger, in that these things – the trade – you know, the ongoing trade war, if you will, could really bifurcate some of the supply chains. So, you know, there's this, you know, huge opportunities for U.S., Korea, and Japan to be cooperating on the nuclear. But many other companies – or, countries may also look to alternatives, sort of a Russia, China, you know, as potential suppliers. So how do we balance? I mean, there's no, you know, cookie-cutter solution. It could really vary from industry to industry in certain different, you know, projects. But it does really affect both the scope and pace of trilateral cooperation.

Mr. Szechenyi: Great. We also have some questions online. Professor Lee, this is to you from Sherry Chen at Columbia University.

She was wondering if you could elaborate on how the U.S. and Japan and Korea could cooperate on AI with respect specifically to the disinformation challenge. How are we going to manage that challenge going forward?

Dr. Lee: Yes. So thank you for the question. So AI really accelerated the spreading of disinformation, and deepfake. And it's everywhere. So – but there are some opportunity for three countries to work together to minimize and prevent, you know, the disinformation from happening. As I said earlier, the U.S. is the leader in the foundational model and the global platforms. And then if you look at the AI landscape, every week you have a new feature, you have a new product, right? So I think the U.S. has a responsibility to lead the technological advancement in terms of, you know, producing a safe and then – a safe – you know, the models for other users to use.

At the same time, Korea and Japan, to some extent, although they try to also develop separate AI models, but I don't think that's very viable kind of the option for Korea and Japan, given the need for huge investment in infrastructure and also R&D. So what they can do is to work with U.S. companies, leading companies, to really create the applications based upon foundation models. And then, these applications will be used by end users.

And then it has a specific role in terms of filtering the misinformation and preventing misinformation. Also, getting feedback from users about how these AI models are working. So I think the U.S. can provide, you know, foundation and then platform, and then Korea and Japan can build upon this foundation to develop, you know, the domain-specific of political solutions and applications. And then reach out to, you know, the users, so that there will be – will create a sort of, like, virtuous cycle to get feedback, to, you know, continue to improve foundational model to minimize disinformation and deepfakes.

Mr. Szechenyi: Great. Thank you very much. Well, this has been a very robust discussion. Our panelists have offered various thoughts on areas for trilateral cooperation in several fields. I won't repeat them here, but I was struck by several themes that I think can help us think about a trilateral agenda going forward, specifically, new frontiers of cooperation. And just very quickly – resilience, competitiveness, innovation, governance, and minilateralism. And I would just end with the last one, that this is not strictly a trilateral cooperation but getting what – getting to what Secretary Campbell emphasized earlier, that Japan, Korea are very much leaders internationally and globally. And that we have to keep that in mind and think of innovative ways to cooperate not just for the future of Asia, but for the future of the world and the global order.

So please join me in thanking our distinguished panelists for sharing their ideas with us today. (Applause.) I've been told to relay to you that we're now entering a lunch break until 1:10. So thank you all very much.

(END.)