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TRANSCRIPT
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“The Capital Cable #33 with Senator Brian Schatz”

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FEATURING

Senator Brian Schatz (D-HI)

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Co-Chair, Congressional Study Group on Korea*

CSIS EXPERTS

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*Transcript By
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Mark Lippert: All right. Good evening to everyone in D.C. Good morning to everyone in Korea. Good day to everyone else around the world. Welcome to the 33 – 33rd, rather – installment of the CSIS Capital Cable, lucky number 33 brought to you by the good folks at Kia Motors. I'm Mark Lippert, your host and moderator.

This week on the Capital Cable we are extremely honored to have the senior senator from Hawaii, the honorable Brian Schatz, someone who closely engages on national security issues, including the Korean Peninsula. And I have personally had the good fortune of meeting him in Korea when I was serving as ambassador. And it underscores why I believe we are lucky to have him here today. Can't say the same thing about Victor, though.

Anyway, let's go through Senator Schatz's extremely impressive bio for just a moment. In addition to his national security work, which I mentioned before, since joining the Senate, Senator Schatz has focused his work on helping workers, veterans, and families, and has led key legislation on health care, climate, and technology. He chairs the Indian Affairs Committee, serves on the Appropriations Committee, the Commerce Science and Transportation Committee, the Foreign Relations Committee, and the Select Committee on Ethics. And he serves as the Senate Democratic Caucus leadership's chief deputy whip.

Prior to his service in Congress Senator Schatz was Hawaii's lieutenant governor and served for eight years in the Hawaii state House of Representatives. Senator Schatz grew up in Honolulu, received his bachelor's degree from Pomona College – unbelievably hard to get into – and he's married to Linda Schatz, an architect. And they have a son and daughter, who I think are looking forward to the next installment of the Marvel movies.

So welcome to the show, Senator Schatz.

Senator Brian Schatz (D-HI): Nice to see you, Ambassador. Nice to see you, Sue and Victor. Really a pleasure to participate in this.

Mr. Lippert: All right. We're lucky to have you, and thanks again for joining us – from Hawaii, no less. We are really privileged as well.

OK, over to our regular panelists quickly. Dr. Sue Mi Terry, former CIA, former NSC, Columbia University, and now a senior advisor to the CSIS Korea chair. Welcome back, Sue.

Sue Mi Terry: Thanks, Mark. And as an expatriate Hawaiian, I'm especially delighted to welcome Senator Schatz to the show. He doesn't know this, but he's also my

high school – (inaudible) – because when my family immigrated to U.S. we first lived in Hawaii, and I went to Punahou, and I believe Senator Schatz went to Punahou.

Sen. Schatz: I did. I did not know that about you.

Dr. Terry: So go buff and blue, and welcome to the show. (Laughter.)

Sen. Schatz: Thank you.

Mr. Lippert: All right. Excellent. All right. Special greeting from Sue. Last, but certainly not least, Victor Cha, vice dean and professor at Georgetown, head of the CSIS Korea Program, and known to spend a little time in Hawaii himself. Victor.

Victor Cha: Yes. I do. I am a property owner in Hawaii. And I consider it's our home away from home. So thanks very much, and we're really happy to have Senator Schatz with us today.

Mr. Lippert: All right. With that, let's get into it, as they say. And first question, of course, to our special guest, the good senator from the state of Hawaii. And just, Senator, if we could, we'd like to start broad. From your vantage point, senior senator from Hawaii, which by virtue of geography has often played a special role in the Asia-Pacific region, and from your vantage point on the Senate Foreign Relations Committee, can you give us your broad take on where we are on the U.S.-Republic of Korea relationship? And again, welcome to the show.

Sen. Schatz: Thanks for having me.

I think it's improving, but I do think that one of our foundational challenges as a country, but manifested in the United States Senate on the Foreign Relations Committee, is that we've been trying to rebalance our focus to the Asia-Pacific region for so long. And yet, the Middle East continues to occupy our mind space. It continues to occupy our diplomatic efforts, and of course the use of military assets. That has somewhat changed in the last six or so months, but it's not just a question of where assets are deployed, it's also just an attitudinal question. And although we have, as the Foreign Relations Committee, done some really good work in the competition space – some people call USICA a China and competition bill; some people like to characterize it a little more broadly – I still think that when we think about the Asia-Pacific region that very smart people use like a crib sheet shorthand, where they think about chips, they think about China, they think about the South China Sea, they think about the Korean Peninsula, and

nuclear questions, and then something about Japan and maybe Guam, and then they're done.

And so one of the challenges that I think I have over a period of time is to help my colleagues to develop the kind of deep expertise that they would have, say, in Eastern Europe or Northern Africa or the Middle East, in the Asia-Pacific region, because even when they visit, it's very much – as you know, Ambassador – you know, hitting major capital cities and it's going to be Seoul and Tokyo and maybe Beijing, very unlikely to be Manila, very unlikely to be Indonesia. And so I think we have to broaden our intellectual capacity but also all of that starts with an attitudinal shift where we take interest in these areas and understand that it is complex and it is literally more than half of the whole world, so you don't get to summarize Asia on a four-by-six notecard.

Mr. Lippert: And, Senator, excellent comments, excellent intervention. Just one fast follow on that: Do you sense that there is more intellectual space? Is there traction for more focus, more attention to the part of the world you just alluded to?

Sen. Schatz: Yes, and I think in a couple of areas where we're already doing well. First, it's in economic cooperation with our allies, and South Korea and the United States already have some good trade relationships and have an opportunity to build more partnerships, especially in the climate action space. And I would divide climate action into two broad categories. One is trying to reduce emissions and develop the technology and deploy the technology to reduce emissions, both in the transportation and manufacturing sector, as well as in electricity generation, transmission, distribution, and then there's climate adaptation. Because the Asia-Pacific region is so coastal and we're going to see an increasing frequency and severity of severe weather events, the United States military and the United States Coast Guard, FEMA, and others have a lot to offer in the way of partnerships throughout the region to just help us to manage climate change, because even if we take the actions that I hope and expect that we will take in the next several months and then go in and have a successful conference of parties in Glasgow, climate change is already upon us and has to be dealt with from a mitigation standpoint.

So those are, I think, our best two opportunities for partnerships.

Mr. Lippert: All right. Outstanding, Senator. And let me just drill down a little bit deeper with your last thread on climate change and park into the U.S.-ROK space. You saw the summit between President Biden, President Moon; you were in Washington. In that summit, there was what I would say a broadening of the relationship back to what we saw under the Obama administration and the

end of the second Bush administration. Climate featured large in that. Can you talk a little bit more about how you might see the U.S. and Korea cooperate – you laid out some details just a moment ago – but also what that might mean for the larger relationship writ large?

Sen. Schatz:

Well, I think, first of all, it's a psychological – I mean, you know this better than I do, but it seems to me that, to the extent that the relationship between the United States and ROK during the previous administration was primarily consumed with the question of troop levels and Camp Humphreys and cost sharing, that's not an unimportant question but it's not the only thing. And, you know, one of the things that I think we know from Hawaii – there's a saying in Hawaii which is everything in Hawaii is political except politics, which is personal, and I think that if you're going to have these relationships stand the test of time and ride out difficulties, whether it has to do with internal domestic politics or circumstances beyond any nation's particular control, you have to have real friendships and real relationships that go to the cultural and economic and the needs of the country other than just preparing for and preventing kinetic engagement.

And so I – my own judgment is that the United States has these extraordinary assets in its Department of Energy that – there are a few countries that are doing extraordinary work in this space too, but U.S. DOE is sort of first among equals if not better than that, and we want to share our technology. And it's not going to be just a matter of ARPA-E and all of these really high-tech programs within the United States government to develop a breakthrough technology on climate. We will need that, but some of it's the mundane stuff of deploying technology that we already have, finding the financing for the things that we already have, and making the grids work.

I mean, I talked to the Hawaiian Electric Company just a couple of days ago, and as they're moving towards their 100 percent clean-energy goal which is set in state statute their primary concern right now is not the extent to which they can find wind and solar to put online but the extent to which they can create a grid that is connected to a cybersecurity network and enough broadband capacity to actually manage all of these potentially intermittent resources on the same grid. And so sometimes it's the kind of eureka, we've found it, but most of the time it's about finding the technology that already exists and getting to the deployment phase and doing the mundane stuff of permitting, transmitting, managing a grid. And that's where NREL, ARPA-E, and all of the U.S. DOE resources are really extraordinary.

Mr. Lippert:

Outstanding, Senator. Thanks for the intervention here.

So I'm going to come to Victor, give you a break here, because I'm peppering you with questions, come back to you right after Victor for two more questions on alliance.

With Victor, can you follow up on some of the points that the senator made? Just to dive down a little bit on Korea, I know Korea has made the point of being carbon neutral by 2050, set that goal, and also just in their last budget – 2022 – allocated \$10.3 billion for an effort to reduce greenhouse gas emissions and pursue carbon neutrality. That piece, plus the energy piece that we've talked a little bit about on this show – the U.S. looks relatively serious in terms of putting an energy attaché out in the embassy in Seoul followed up by some very interesting, rather, text in the joint statement around the summit, plus some other activity. Victor, your take on the Korean side of this part of the equation.

Dr. Cha:

Thanks. All great comments. So a couple of points.

The first is, you now, I think the current government has certainly made this commitment to carbon neutrality by 2050, and you've mentioned some of the things that they're doing putting resources, commitment – you know, committing resources to this. So there are two – the main – one of the concerns, of course, is that this is something that will stand the test of time and stand the test of politics in the sense that, you know, we will have a change of administration one way or the other in less than a year, and whether that will be – continue to be priorities of the incoming government. I think they will because I think – I think that the Koreans look at this – on either side of the aisle they look at this in a holistic perspective in the sense that it's not just about climate, but – or about green energy; it's also about, you know, Korea's broader role in the international system and as a player on these issues that goes beyond simply conference hosting. Remember, like, initially they were very good at the conference hosting part of this, but to the – as Brian said, to the implementation stage. So I think, you know, that's one.

And then the other is that, you know, the May 21 summit was very important because it continues to support a view I think that's pretty – held pretty strongly in Korea that the U.S. alliance is an important vehicle for achieving these global sorts of positions and contributions that Korea wants to make, whether it's on climate, on green energy, on supply chains, whatever it might be.

So as long as those two – as long as there's continuity with the new administration and as long as the framework continues to see the alliance as a(n) important vehicle for achieving what Korea wants, not just nationally at home but, you know, in terms of their contributions in the region and further. Then it's win-win – it's a win-win game all the way through, right?

And it's a virtuous spiral all the way through. So, you know, as long as those two conditions hold, I think we're in good shape.

Mr. Lippert:

And, I would add too – great stuff, Victor – an energy imperative to figure out where their energy supply is going to come for several decades to come.

All right. We've – this has been a fascinating conversation. We've danced around this issue before on previous episodes, but never gone as deep as this. This is really fantastic stuff. I hate to lift and shift just a little bit, but I want to pick up on one other thread that the senator mentioned. It was the, what I would call, over-focus on a narrow set of issues that, while not unimportant, gobbled up a disproportionate amount of time – burden sharing, there were things about possibly pulling out of the Korea-U.S. Free Trade Agreement, a lot of time spent on voluntary – VRAs on steel or quotas. A lot of back and forth on that small set of issues.

Senator, you talked about the expertise of your colleagues as well in Asia-Pacific. In this instance, during the Trump administration, there seemed to be a lot of bipartisan support for coming together and reducing, I would say, the threats, for lack of a better word, to the alliance posed by some of these initiatives, or at least getting them into a more manageable form. Could you talk about that basket of issues and what the view is like for Congress?

Sen. Schatz:

Yeah. Let me take – I'm not sure if this is in this basket, but the way I view denuclearization of the peninsula is perhaps different than the way it's kind of polarized sometimes in the Congress. Which is to say that the folks who say complete denuclearization are not really sure how they're going to get there, other than sort of mimicking the previous president in terms of: Well, if we bluster hard enough, they will back down, right? And there's just no evidence that that's particularly in DPRK's interest, if we just bluster hard enough, they will eventually back down.

And I still maintain that goal. It's just that it is not in conflict with that goal to say: Let's build as strong of a relationship as we can with ROK. Let's build as many partnerships as we can. Let's not have our relationship defined purely as sort of DMZ Camp Humphreys, what are we going to do, right? And is there another missile test? And what's the status of their nuclear program? But rather, that DPRK understands that our relationship with them – with the Republic of Korea is so robust that they assess the military situation somewhat differently.

And I think you still have to have some room for humanitarian work in North Korea, whether that be on COVID, or hunger, or anything else because we're still the indispensable nation, because we're still the good guys. And we need to maintain that high ground. And I think there's just no evidence that simply pounding your fist on the table and treating a rogue state as if it's a

sort of painting contractor that you want to short is going to work. That'll be as partisan as I get.

Mr. Lippert:

(Laughs.) Well, I too have issues with painting contractors. So, you know, I'm on board there. No, great intervention there, Senator. Can I – I'm going to come back to the North Korea piece in just a second. Sue, get ready. Senator, final question on pulling out a little bit of your threads on – (audio break) – and the importance of the United States in this – in this orbit, for lack of a better word. We have this situation in Afghanistan. And the South Koreans evacuated 391 Afghan refugees who supported their operations in Afghanistan.

Two pieces. Just your thoughts on that. But the second is, this obviously spurred a lot of conversations about U.S. credibility, alliances in Asia, the confidence in the United States. At least among the chattering class there was a lot of loose talk, for lack of a better term. Could you speak to those issues as well? And then we'll pick back up on the North Korea theme.

Sen. Schatz:

Yeah. I think the way you talked about it as loose talk is exactly right. The people who – there's a – there are a bunch of people, and we know them, and they're smart, and they've been around, who do not think that we should have ended the war in Afghanistan. And so they are grasping at whatever argument is available to them. The first argument available to them, and the most compelling, was the – was the death of United States servicemembers, and the urgency of the evacuation, and the moral outrage that I think we all felt at not just the deaths, but of the whole situation.

But if you scratch them hard enough, that's not their main – that's tactical. That's not their main dispute. They just want us to stay in Afghanistan indefinitely. And so the other argument that they grabbed was, well, this is the end of American-style, you know, engagement. And around the planet our credibility is diminished. There's just no evidence for that. In fact, it seems to me that to the extent that President Biden is explicitly saying: This is part of a broader policy. We are not going to try to remake other countries in our image. We are not going to try to be an occupying force, unless there's a very rare instance where our national security is in danger if we don't. We're not going to try to referee a civil war between ISIS-K and the Taliban and al-Qaida.

And I think that strengthens our ability, certainly on the military side in terms of actual assets, but also our bandwidth to engage peacefully with the rest of the world. That stands to reason, but I think the loose talk was convenient. And I've been around long enough to see that every foreign policy decision that folks disagree with ends up being sort of the end of America as we know it. And it's always not true.

Mr. Lippert: So, in short, you're saying: No impact on the alliances in Asia?

Sen. Schatz: No impact on the alliances in Asia. We have mutual defense treaty agreements, as you know. We stand by those. And our commitment is ironclad.

Mr. Lippert: Great. Thanks, Senator. Appreciate it. And let's come back to your point about the rest of the world. That brings us back to your earlier comments on North Korea. I'm going to bring Sue in here. Sue, if you wouldn't mind, A, picking up on where the senator – the senator's intervention on North Korea, number one. And, two, a lot going on up there these days, right? We've had some statements from leadership, humanitarian issues. And we've had this – seemingly a restart of the five-megawatt reactor at Yongbyon, that has led to IAEA statements and condemnations – something, by the way, I would say you all at CSIS called in March/April, I believe. So, Sue, please, the floor is yours on North Korea to take us into round two.

Dr. Terry: OK. Can I also follow up on the Senator's comment on Afghanistan and how allies in Asia view this? Because I just want to echo that I do think Koreans and the Japanese are very smart. And so they know the situation is very different from them in Afghanistan, right? And they know the U.S. decision on Afghanistan does not represent any kind of wholesale withdrawal of U.S. from multilateralism. And I think, you know, they know that the Biden administration is committed to cooperating with partners like South Korea and Japan on higher priorities like China, and climate, and supply chains, and so on. So they know they are not Afghanistan.

And I think, ironically, this kind of showcased the strength of U.S.-ROK alliance relationship, just showing how they – just the importance of South Korea and Japan, of having allies like that who can pull their own weight economically, militarily, and, unlike Afghanistan, not dependent on U.S. subsidies, and so on. Anyway, so I just want to just echo that I agree with that statement.

In terms of North Korea, let me start with the IAEA report that was published, I guess it was last Friday, that North Korea restarted Yongbyon to the highest levels in three years. And you mentioned this, Mark. This is not any kind of a surprise to anyone following North Korea. Victor can talk about the CSIS Beyond Parallel report that Victor and Joe Bermudez, our senior imagery analyst, published in March that said satellite image shows reprocessing activity at Yongbyon.

So and in addition to the IAEA report, there's also an upcoming report of the U.N. Panel of Experts on North Korea that offers further insight into North

Korea's nuclear and ballistic missile activities. You know, they talk about Hwasong-16 system that North Korea showcased in the parades in October and January, how – while that is not operational at the moment, how its payload can conceal as many as, you know, three or four multiple, independently targetable reentry vehicles. Again, not new information, but confirmation of what we've been talking about in our show. So bottom line is the obvious point, but there's continued nuclear and ballistic missile activities and North Korea has not capped any of this, despite economic crisis.

In terms of economic crisis, since you are asking me to give an update, again, no sign that the situation is improving since we've been last – I guess we've been off air for about a month. No sign anything has changed. They continue to face very tense situation. Economic situation is bad. They had rain. They had flooding in August that destroyed houses and farmlands. The regime continues to be paranoid about COVID. They still don't have vaccines. There's no respite in sight. And then this U.S. panel of expert, the report also talk about how that even North Korea's illicit trade, Mark, has been significantly affected by COVID. So it doesn't look good.

So what do they want? What does North Koreans want going forward? They have severed communications with Seoul only two weeks after reopening the hotlines after criticizing the U.S.-South Korea joint military exercises. It's like, come on. I mean, it's totally expected. Kim Yo-jong came out with a statement, you know, about defense and, you know, making strong preemptive strike capabilities for North Korea. Kim Jong-chul followed up with another statement, you know, another kind of a threatening statement about how it's dangerous for South Korea to – having done this, the joint military exercise. So all of this, where do – where does North Korea take this?

And my question – actually, maybe the senator can answer this, or Victor – and what do they interpret in terms of Afghanistan? When they are looking at this, you know, does that affect their timing? Do they – are they encouraged somehow, think that they can decouple U.S. and South Korea in the long term? I don't think so. I think they know the situation is also very different. But kind of might not be great for provocation because if they return to a small-scale timing like short-range missile, nobody cares right now. We have a crisis. We have other things that we're worried about. If they go and do something big, I think the Biden administration has to show some resolve because they have been criticized in this Afghanistan space.

So I think what I'm trying to say is that North Korea does not have a whole lot of cards to play. So it'll be interesting to see how they make of the recent situation with Afghanistan on top of their domestic situation, which remains very difficult.

Mr. Lippert: OK. Sue, thanks. Outstanding stuff, as always.

Let's go Victor then back to the senator. Victor, quickly, your take on after hearing Sue's analysis, where does this leave us on North Korea? Are we – we have Afghanistan. We have these statements. COVID's still raging. Any more prospects for negotiations, diplomacy? Any sort of provocations likely on the horizon? What is the posture in Pyongyang at the moment?

Dr. Cha: So I think – I think we're kind of caught at a – we're sort of caught at a(n) intersection of two points. You know, one of them is on the U.S. side an administration that is – you know, it's very focused on what's going on in Afghanistan. The team that's working on North Korea is a continuation of the team that was there in the second Obama administration that got burned on the Leap Day deal. And you know, they're very deeply skeptical of whether they can really make progress on North Korea. So there's not a whole lot of willingness to move at that point, and I don't blame them at all, right? I mean, I don't blame them at all. There's no – and then on the North Korean side they're kind of stuck because of COVID. You know, everything's shut down. They're not anything on COVID.

So we're kind of at this intersection, and there's only two things that's going to move it, right? And one of them is – and the senator mentioned his in his earlier remarks – more of a strong push on the humanitarian aid side. You know, it's still sanctions complaint. North Korea clearly doesn't want any Chinese vaccines – (laughs) – as we saw in the news. They turned down a whole bunch of Chinese vaccines from COVAX. You know, I'm sure they want one particular type of vaccine, so that's one possible area, and it's the one thing they care about the most because it's linked to border trade; it's linked to, you know, regime stability; it's linked to public health; it's linked to all these things.

Or the other thing that could move negotiations – and I say this not with any particular enthusiasm – is a major North Korean provocation, right, because a major North Korean provocation will have the effect of making this a front-burner issue where there will be more attention and need to sort of get control of the issue. You know, a major provocation would create more pressure by China on the North Koreans to calm down and come back to talks. I mean, it's not the way we want things to happen, but, like, we're dealing with North Korea. Nothing happens the way we want it to happen. It always happens the way we don't want it to happen.

So that's kind of where I see things right now.

Mr. Lippert: And last, Victor, before I come back to the senator, the view from Seoul. Moon Jae-in, got about eight months left. This is his signature initiative to try to get closer to the North. He had some early success with the summits, but it's been adrift for a while. What are they thinking in Seoul?

Dr. Cha: Yeah, no, I think it's been adrift for a while. You know, their chief negotiator was just in town doing consultations.

You know, I think they're feeling a lot of pressure to try to make something happen. I think they're hoping – their best bet, I think they're hoping, is the United States, not necessarily North Korea. I don't think they expect that North Korea will bend over backwards to meet, so, you know, I think they're really looking to the U.S. to see if the U.S. is willing to be more flexible. But you know, as I mentioned, like, I just don't see that right now given where we are. The best bet would be on the humanitarian side.

Mr. Lippert: OK. Thanks, Victor.

Back over to the senator. We got final thoughts on North Korea, Senator. The floor is yours. You've taken in our experts here. You can discount, discard, or wholly embrace, amend their analysis, but any final thoughts. And then we'll – we got about 10 minutes left; we'll go to trade and investment and the Korean American community in Hawaii and there.

Sen. Schatz: So let me just agree on vaccinations, and also it's a moral imperative. And whenever your moral imperatives line up with your geopolitical objectives, you should do it. So I think that's a real opportunity to do the right thing and to – and to advance American interests.

I guess I have two quick questions. I think they're quick. One for Sue is that, you know, at what point do – does North Korea become resource constrained? Like, do they at some point – does the economic collapse at some point harm their ability to do what they're doing with their nuclear program, or do they – are they always going to be in a position to have enough revenue for that because they're willing to, frankly, impose suffering and sacrifice almost everything else because it's an existential question? Is that the way I should understand that?

Dr. Terry: Yeah. I mean, you saw in the mid-1990s during the famine years millions of people died and the regime still survived. So as long as the elites support the regime, it can continue despite complete collapse of North Korea as a society.

But this COVID situation has been something that's very different. They themselves – this is a self-inflicted wound, right, because they are the first country to close a border with China, and now that had more impact on North Korea's economy and the situation in North Korea more than the

sanctions. So it'll be interesting. Depends on how long this continues. And so I think the COVID situation is a wildcard. They still say they don't have COVID cases, but if there is ever a spread of that, I think that would be – you know, that would be a wildcard.

Another wildcard, we talked about previous – I just, you know, talked to you about it – is health of their leadership. There's a lot of questions still surrounding Kim Jong-un and his health. That would be also another wildcard in terms of stability situation in North Korea.

Sen. Schatz: Sure.

And I'm sorry, Ambassador, I got one question for Professor Cha. Is there some agreed upon definition of major provocation versus something short of major, or is that a sort of you know it when you see it?

Dr. Cha: Yeah. So I think, as Sue said, the – you know, North Korea has already fired some projectiles to welcome in the Biden administration, but they haven't done the so-called big provocation that you would expect to see. So anything that's – I think anything that's beyond a short-range test, so even a medium-range ballistic missile, clearly a long-range one. The two big ones that – the two big shoes that haven't dropped yet are this MIRVed ICBM test, right, or the – or the launching of a legitimate sort of sea-based nuclear ballistic missile capability. They haven't demonstrated those two things, but all of the experts know they're actively building and developing towards doing that.

Sen. Schatz: Thank you.

Dr. Cha: Which would – you know, and I would add which – all of these things would matter a great deal for Hawaii.

Mr. Lippert: And, Victor, I would add also nuclear test, of course, right? That is top of the list, right? That would bring about – bring the hammer down big time.

Dr. Cha: Absolutely.

Mr. Lippert: OK. Well, look, we almost had a Foreign Relations Committee hearing break out here. (Laughs.)

Sen. Schatz: Sorry, I started asking questions. (Laughter.)

Mr. Lippert: No, no, I'm a former staffer of the Foreign Relations Committee, so I fell right into it, Senator, so it's great stuff.

Any other closing thoughts from anybody here on North Korea? Because I think this is a really interesting thread and I don't want to cut it off prematurely. Any final thoughts?

No takers.

Victor, takers? No? OK.

Let's get to trade and investment quickly. Just – we've got about five, 10 minutes left, Senator, and just, you know, your thoughts on where we are in the Asia-Pacific in terms of trade, architecture, trade and investment? TPP doesn't seem to be in the cards right now. There's some press reporting about the Biden administration talking about a digital services agreement. Hawaii is uniquely situated to address this question. At the same time, also I know you are very focused on some of the domestic pieces – build back better, supply chain. The floor is yours, Senator, with that setup.

Sen. Schatz:

Well, I think we have some exciting opportunities. We've talked a lot about clean energy and technology transfer, but, of course, Korea's got a manufacturing capacity that certainly Hawaii lacks but also, you know, that the United States mainland lacks, in certain ways, and so when we think about our supply chain, when we think about chip manufacturing, obviously we'd like to do it all domestically, but to me the second best would be to do it with an ally, which is almost just as good.

And I just want to flag tourism, and, you know, obviously tourism is important to Hawaii, and so for that reason I'll flag it, but it's also just essential in order to enable all the rest of trade. Right? I mean, pre-COVID we were in – I think we had six or eight daily nonstops from Seoul to Honolulu. Now, some of those were actually connecting Chinese travelers or travelers from the region, but that's a ton of people moving back and forth, and those are the kinds of things that build, you know, business relationships over time. It is hard to imagine establishing meaningful business partnerships over a long period of time, meaningful cultural attachments and real friendships and, therefore, the political stability that we're all seeking in terms of this bilateral relationship without having flights. And so I continue to focus on that, and it's sort of mundane, on one level, and yet it's an absolutely essential aspect, so I'll continue to think about airlift on the commercial side.

And then exploring – I think ROK made a pretty good commitment on climate. We are certainly hoping that they ratchet up their ambitions, as is the expectation in advance of the next conference of parties. But, you know, the thing about these commitments is that yes, they are necessary, but they're also very difficult to execute and there's a little bit of a comfort of saying, yeah, we'll get there in 2050 because everybody knows – well, you

know, whoever's making that commitment won't be in office to do the hard work of executing on the – like, the first tranche of making progress on clean energy is actually doable; how we're going to get the final tranches I think is a lot bigger of a challenge, and that's where technology transfer from the United States to ROK is going to be a key aspect.

Mr. Lippert: That's really interesting stuff there, Senator. And can I just drill down on one point? When you are looking at Korea, these other countries that have made commitments and trying to determine how much sacrifice they're making early, for lack of a better term, to get to their goals, what are you looking at in terms of indicators that it looks like they are moving in the right direction versus punting all the decisions for future administrations and their countries?

Sen. Schatz: Well, I think the first thing is we have to deliver – right? – that in order for the United States – and I continue to be pleasantly surprised at the extent to which the United States was able to snap back into that leadership role. There's still some kind of, hey, is this going to last and what about that last four years? And there's tons of rebuilding to do, including in the State Department itself and the Foreign Service itself, but people want us to lead, for the most part. But in order to come into Glasgow with the leadership mantle, we have to enact something this fall. So that's number one. Otherwise, we can't really cajole, bully, carrots or sticks won't work if we're not right on all of this stuff. But I also think that every country who made a commitment in COP 23 in Paris has an obligation to ratchet up their ambition, because the stated understanding at that point was, hey, these are preliminary and we're all going to ratchet up our goals.

This gets a little technical, but our State Department team is working on it. It's also a matter of checking to see that the commitments made are being executed and measuring the reality of the situation. Especially with some of our adversaries, it's very easy to lie about this stuff. And so we want to get some transparency in terms of data and reporting, otherwise we're going to have our adversaries sort of spinning a yarn about what's clean and what's not, and we'll – and the planet will continue to warm.

Mr. Lippert: Gotcha. Thanks for that clarification. Really helpful. So we'll look forward – we'll be looking at us, the Congress, to see what we will be enacting this fall, to see – as a big indicator.

OK, we've got just a few minutes left. Senator, one final topic that we haven't covered is people-to-people diplomacy. You have talked throughout this show about broad-based alliance, lasting durability. And I, for one, as insignificant as my voice is, have argued that the people-to-people diplomacy is incredibly important, builds the foundation upon which democratic

governments can do creative policymaking, take risks, all of that – important foundational issue. It also gives me an excuse to go to a lot of Korean baseball games and eat a lot of fried chicken. But I would – there’s a really unique element here in Hawaii of a Korean American community. And would be interested in your thoughts on that piece as well.

Sen. Schatz: Yeah, it really does. I mean, this is how I learned politics in Hawaii in the legislature. It comes down to people. It comes down to personal relationships. And I’m struck by, you know, when I visited the DMZ some of the stories – which I won’t rely in great detail – about how we averted situations that could have been terribly dangerous came down to the trust between leaders across that border.

And that’s a sort of pretty severe version of this story, but whether you’re trying to do technology transfers, or figure out chip manufacturing, or, you know, engaged in a shared love of baseball, right, or each other’s food, it all comes down to those personal relationships. And I think, frankly, the members of the Foreign Relations Committee in the United States Senate really understand that as it relates to Europe, Africa, and the Middle East. And we’re just so far away over on the other side of the Pacific that building those relationships becomes an extraordinary challenge.

I’m actually trying to do more of this stuff on Zoom because, yes, it’s a – it’s not the same as meeting in person, but given distance if I can meet with folks, even in the Pacific Island nations, more frequently because of this extraordinary technology – Microsoft Teams, or Zooms, or whatever it may be – that’s an opportunity for America to, you know, continue to be present in the – in the – in the area. I just believe that it starts with the relationships, and it starts with a deep curiosity and respect for the other country and for the other culture.

Mr. Lippert: All right. Thanks, Senator. Outstanding. And to my mom, who watches occasionally, you know, she thought I was essentially just goofing off the whole time. And so now I have, you know, a validation from the United States Senate on this. No, but in all seriousness, I couldn’t agree more. And just to your point that the durability of it, right, and the elasticity, and the lubricant it puts in these alliances when you have to make tough decisions. And to your point, the other thing too, the more complicated it gets, like chip manufacturing, like this high-tech supply chain endeavor we’re headed down, the more important those relationships are. Because at some level it comes down to trust.

Senator, thanks for – thanks for – a big thank you for having us on – or, excuse me. Thanks for appearing on our webcast here. We just would say, any final thoughts? And then we’ll gavel down and conclude.

Sen. Schatz: No, this was a really good opportunity for me to learn from all three of you. I continue to read what you all write and listen to what you say whenever I see it. And I just appreciate the three of you being anchors for the U.S.-ROK relationship. And just make sure to tell me if I'm getting anything wrong in any significant way.

Mr. Lippert: Well, absolutely, Senator. And thanks for the compliments. That's Sue's job. She tells us when we're all wrong. So, you know, she's kind of the – plays the heavy on the show. So, Sue, any final thoughts here?

Dr. Terry: No. I just thank you for coming on the show. I always appreciate having a high school, somebody, having that connection, talking about people-to-people. Koreans are very into that, you know, having gone to the same schools, and whatnot. So anyway, I appreciate you having – being on this show. Thank you so much.

Mr. Lippert: All right. Victor, last word to you and then we're going to wrap. We're right at time.

Dr. Cha: Yeah, I just also want to express my gratitude. And also say that I think that it's great that Senator Schatz is, you know, one of the friends of the U.S.-Korea alliance, and that he has such a prominent role – is playing such a prominent role in the relationship between the two countries. I mean, we need people who are truly – are vested in and have internalized how important the Indo-Pacific is for U.S. interests. And so it's great that Senator Schatz is on our program and that he's playing that role.

Mr. Lippert: Yeah. With that, couldn't agree more, Senator Schatz, thank you. Thank you for the leadership role you're playing in the Asia-Pacific and beyond. Thank you for, again, coming here to this CSIS webcast. Thanks to Dr. Cha. Thanks to Dr. Terry. Thanks to Kia, our sponsors. It's been an insightful, face-paced, with a little bit of fun along the way, episode. And we'll see everybody in a couple of weeks for Episode 33 – 34.

(END)

