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- Today I would like to discuss in more detail U.S. views on how we can work cooperatively for the removal of U.S. sanctions imposed under the Trading with the Enemy Act (TWEA).
- Before doing so, however, I would like to emphasize that the United States remains ready and willing to work with you on the removal of other sanctions within the framework of U.S.-DPRK missile talks and our discussions related to the removal of the North Korea from the U.S. terrorism list.
 - We strongly encourage the DPRK to positively consider our proposals in these areas.
- The Four Party Peace Talks, however, provide the framework for the removal of TWEA sanctions.
 - The Agreed Framework committed the U.S. and North Korea to normalize economic relations but it neither specified a timetable nor provided a mechanism for doing so.
 - Since 1995 we have taken several steps to ease our sanctions, including allowing U.S. airlines to pay overflight fees to North Korea. We note that these overflights commenced earlier this month, and should provide significant economic benefits to the DPRK.
 - The Four Party process is the best and most appropriate mechanism to make additional progress.
- TWEA sanctions were imposed in 1950 as a result of the outbreak of hostilities on the Korean Peninsula, and remain largely in place today because we have not been able to resolve this hostile state.
- Because the Four Party Talks provide a crucial opportunity to reduce hostilities, we are prepared to ease TWEA sanctions to recognize concrete progress in the peace process.
- We also are prepared to ease sanctions as a result of improvements in North-South relations resulting from direct dialogue between the DPRK and the ROK.

REVIEW AUTHORITY: Charles Lahiguera, Senior Reviewer

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- We would allow the export of goods and services related to the mining of magnesite. This builds on our 1995 sanctions-easing step to allow imports of magnesite from the U.S.
- We will ease restrictions that prohibit U.S. ships and airlines from transporting humanitarian goods and Agreed Framework cargo to North Korea.
- We will allow North Korean citizens to study or receive training in the United States.
- This is not an inclusive list, but should give you an idea of the types of sanctions-easing steps we would take for early progress in reducing tension during the first stage of the talks.
- If you are willing to move to more substantive measures to reduce tension, we would take more far-reaching steps on sanctions. Some examples of what we would consider in the intermediate stage of the talks are:
 - We would allow investment in the Rajin-Sonbong Free Trade Zone, either in infrastructure or production facilities. We also would allow U.S. imports of goods produced in the free trade zone.
 - To support your efforts to improve air safety, we would allow exports of civilian air traffic control equipment.
 - We also would consider allowing certain exports of telecommunications goods and services.
 - We would permit the export of U.S. goods and services related to electric power generation and distribution.
- As you can see, the steps we are considering could have significant economic impact on North Korea.
- In the final stage, we would lift all remaining TWEA sanctions with the successful conclusion of the peace process.
- We know how important the removal of U.S. restrictions on economic relations is to your government, and we welcome your suggestions for putting our economic relationship on a more normal basis.

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