

In the Senate of the United States,

November 6, 2003.

Resolved, That the resolution from the House of Representatives (H.J. Res. 63) entitled “Joint resolution to approve the ‘Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia’, and the ‘Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands’, and otherwise to amend Public Law 99–239, and to appropriate for the purposes of amended Public Law 99–239 for fiscal years ending on or before September 30, 2023, and for other purposes.” do pass with the following

AMENDMENTS:

Strike out all after the resolving clause and insert:

1 ***SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This joint resolution, together*
3 *with the table of contents in subsection (b) of this section,*
4 *may be cited as the “Compact of Free Association Amend-*
5 *ments Act of 2003”.*

- 1 (b) *TABLE OF CONTENTS.—The table of contents for*
 2 *this joint resolution is as follows:*

Sec. 1. Short title and table of contents.

**TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COMPACT;
 INTERPRETATION OF, AND U.S. POLICIES REGARDING, U.S.-FSM
 COMPACT AND U.S.-RMI COMPACT; SUPPLEMENTAL PROVISIONS**

*Sec. 101. Approval of U.S.-FSM Compact of Free Association and the U.S.-RMI
 Compact of Free Association; references to subsidiary agreements
 or separate agreements.*

- (a) *Federated States of Micronesia.*
- (b) *Republic of the Marshall Islands.*
- (c) *References to the Compact, the U.S.-FSM Compact and the U.S.-RMI
 Compact; References to Subsidiary Agreements or Separate
 Agreements.*
- (d) *Amendment, Change, or Termination in the U.S.-FSM Compact, the
 U.S.-RMI Compact and Certain Agreements.*
- (e) *Subsidiary Agreements Deemed Bilateral.*
- (f) *Entry Into Force of Future Amendments to Subsidiary Agreements.*

Sec. 102. Agreements With Federated States of Micronesia.

- (a) *Law Enforcement Assistance.*
- (b) *Agreement on Audits.*

*Sec. 103. Agreements With and Other Provisions Related to the Republic of the
 Marshall Islands.*

- (a) *Law Enforcement Assistance.*
- (b) *EJIT.*
- (c) *Section 177 Agreement.*
- (d) *Nuclear Test Effects.*
- (e) *Espousal Provisions.*
- (f) *DOE Radiological Health Care Program; USDA Agricultural and Food
 Programs.*
- (g) *Rongelap.*
- (h) *Four Atoll Health Care Program.*
- (i) *Enjebi Community Trust Fund.*
- (j) *Bikini Atoll Cleanup.*
- (k) *Agreement on Audits.*
- (l) *Kwajalein.*

*Sec. 104. Interpretation of and United States Policy Regarding U.S.-FSM Com-
 pact and U.S.-RMI Compact.*

- (a) *Human Rights.*
- (b) *Immigration and Passport Security.*
- (c) *Nonalienation of Lands.*
- (d) *Nuclear Waste Disposal.*
- (e) *Impact of the U.S.-FSM Compact and the U.S.-RMI Compact on the
 State of Hawaii, Guam, the Commonwealth of the Northern
 Mariana Islands and American Samoa; Related Authorization
 and Continuing Appropriation.*
- (f) *Foreign Loans.*
- (g) *Sense of Congress Concerning Funding of Public Infrastructure.*
- (h) *Reports and Reviews.*
- (i) *Construction of Section 141(f).*
- (j) *Inflation adjustment.*

(k) *Participation by secondary schools in the Armed Services Vocational Aptitude Battery (ASVAB) Student Testing Program.*

Sec. 105. *Supplemental Provisions.*

(a) *Domestic Program Requirements.*

(b) *Relations With the Federated States of Micronesia and the Republic of the Marshall Islands.*

(c) *Continuing Trust Territory Authorization.*

(d) *Survivability.*

(e) *Noncompliance Sanctions; Actions Incompatible With United States Authority.*

(f) *Continuing Programs and Laws.*

(g) *College of Micronesia.*

(h) *Trust Territory Debts to U.S. Federal Agencies.*

(i) *Judicial Training.*

(j) *Technical Assistance.*

(k) *Prior Service Benefits Program.*

(l) *Indefinite Land Use Payments.*

(m) *Communicable Disease Control Program.*

(n) *User Fees.*

(o) *Treatment of Judgments of Courts of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.*

(p) *Establishment of Trust Funds; Expedition of Process.*

Sec. 106. *Construction Contract Assistance.*

(a) *Assistance to U.S. Firms.*

(b) *Authorization of Appropriations.*

Sec. 107. *Prohibition.*

Sec. 108. *Compensatory Adjustments.*

(a) *Additional Programs and Services.*

(b) *Further Amounts.*

Sec. 109. *Authorization and Continuing Appropriation.*

Sec. 110. *Payment of Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau Employed by the Government of the United States in the Continental United States.*

TITLE II—COMPACTS OF FREE ASSOCIATION WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS

Sec. 201. *Compacts of Free Association, as Amended Between the Government of the United States of America and the Government of the Federated States of Micronesia and Between the Government of the United States of America and the Government of the Republic of the Marshall Islands.*

(a) *Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia.*

TITLE ONE—GOVERNMENTAL RELATIONS

Article I—Self-Government.

Article II—Foreign Affairs.

Article III—Communications.

Article IV—Immigration.

Article V—Representation.

Article VI—Environmental Protection.
Article VII—General Legal Provisions.

TITLE TWO—ECONOMIC RELATIONS

Article I—Grant Assistance.
Article II—Services and Program Assistance.
Article III—Administrative Provisions.
Article IV—Trade.
Article V—Finance and Taxation.

TITLE THREE—SECURITY AND DEFENSE RELATIONS

Article I—Authority and Responsibility.
Article II—Defense Facilities and Operating Rights.
Article III—Defense Treaties and International Security Agreements.
Article IV—Service in Armed Forces of the United States.
Article V—General Provisions.

TITLE FOUR—GENERAL PROVISIONS

Article I—Approval and Effective Date.
Article II—Conference and Dispute Resolution.
Article III—Amendment.
Article IV—Termination.
Article V—Survivability.
Article VI—Definition of Terms.
Article VII—Concluding Provisions.

(b) Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands.

TITLE ONE—GOVERNMENTAL RELATIONS

Article I—Self-Government.
Article II—Foreign Affairs.
Article III—Communications.
Article IV—Immigration.
Article V—Representation.
Article VI—Environmental Protection.
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Article I—Approval and Effective Date.

Article II—Conference and Dispute Resolution.

Article III—Amendment.

Article IV—Termination.

Article V—Survivability.

Article VI—Definition of Terms.

Article VII—Concluding Provisions.

1 **TITLE I—APPROVAL OF U.S.-FSM**
 2 **COMPACT AND U.S.-RMI COM-**
 3 **PACT; INTERPRETATION OF,**
 4 **AND U.S. POLICIES REGARD-**
 5 **ING, U.S.-FSM COMPACT AND**
 6 **U.S.-RMI COMPACT; SUPPLE-**
 7 **MENTAL PROVISIONS**

8 **SEC. 101. APPROVAL OF U.S.-FSM COMPACT OF FREE ASSO-**
 9 **CIATION AND THE U.S.-RMI COMPACT OF**
 10 **FREE ASSOCIATION; REFERENCES TO SUB-**
 11 **SIDIARY AGREEMENTS OR SEPARATE AGREE-**
 12 **MENTS.**

13 *(a) FEDERATED STATES OF MICRONESIA.—The Com-*
 14 *compact of Free Association, as amended with respect to the*
 15 *Federated States of Micronesia and signed by the United*
 16 *States and the Government of the Federated States of Micro-*
 17 *nesia and set forth in Title II (section 201(a)) of this joint*
 18 *resolution, is hereby approved, and Congress hereby con-*
 19 *sents to the subsidiary agreements and amended subsidiary*
 20 *agreements listed in section 462 of the U.S.-FSM Compact.*
 21 *Subject to the provisions of this joint resolution, the Presi-*

1 *dent is authorized to agree, in accordance with section 411*
 2 *of the U.S.-FSM Compact, to an effective date for and there-*
 3 *after to implement such U.S.-FSM Compact.*

4 **(b) REPUBLIC OF THE MARSHALL ISLANDS.**—*The*
 5 *Compact of Free Association, as amended with respect to*
 6 *the Republic of the Marshall Islands and signed by the*
 7 *United States and the Government of the Republic of the*
 8 *Marshall Islands and set forth in Title II (section 201(b))*
 9 *of this joint resolution, is hereby approved, and Congress*
 10 *hereby consents to the subsidiary agreements and amended*
 11 *subsidiary agreements listed in section 462 of the U.S.-RMI*
 12 *Compact. Subject to the provisions of this joint resolution,*
 13 *the President is authorized to agree, in accordance with sec-*
 14 *tion 411 of the U.S.-RMI Compact, to an effective date for*
 15 *and thereafter to implement such U.S.-RMI Compact.*

16 **(c) REFERENCES TO THE COMPACT, THE U.S.-FSM**
 17 **COMPACT, AND THE U.S.-RMI COMPACT; REFERENCES TO**
 18 **SUBSIDIARY AGREEMENTS OR SEPARATE AGREEMENTS.**—

19 **(1)** *Any reference in this joint resolution (except*
 20 *references in Title II) to “the Compact” shall be treat-*
 21 *ed as a reference to the Compact of Free Association*
 22 *set forth in title II of Public Law 99–239, January*
 23 *14, 1986, 99 Stat. 1770. Any reference in this joint*
 24 *resolution to the “U.S.-FSM Compact” shall be treat-*
 25 *ed as a reference to the Compact of Free Association,*

1 *as amended between the Government of the United*
2 *States of America and the Government of the Fed-*
3 *erated States of Micronesia and set forth in Title II*
4 *(section 201(a)) of this joint resolution. Any reference*
5 *in this joint resolution to the “U.S.-RMI Compact”*
6 *shall be treated as a reference to the Compact of Free*
7 *Association, as amended between the Government of*
8 *the United States of America and the Government of*
9 *the Republic of the Marshall Islands and set forth in*
10 *Title II (section 201(b)) of this joint resolution.*

11 *(2) Any reference to the term “subsidiary agree-*
12 *ments” or “separate agreements” in this joint resolu-*
13 *tion shall be treated as a reference to agreements list-*
14 *ed in section 462 of the U.S.-FSM Compact and the*
15 *U.S.-RMI Compact, and any other agreements that*
16 *the United States may from time to time enter into*
17 *with either the Government of the Federated States of*
18 *Micronesia or the Government of the Republic of the*
19 *Marshall Islands, or with both such governments in*
20 *accordance with the provisions of the U.S.-FSM Com-*
21 *compact and the U.S.-RMI Compact.*

22 *(d) AMENDMENT, CHANGE, OR TERMINATION IN THE*
23 *U.S.-FSM COMPACT AND U.S.-RMI COMPACT AND CER-*
24 *TAIN AGREEMENTS.—*

1 (1) *Any amendment, change, or termination by*
2 *mutual agreement or by unilateral action of the Gov-*
3 *ernment of the United States of all or any part of the*
4 *U.S.-FSM Compact or U.S.-RMI Compact shall not*
5 *enter into force until after Congress has incorporated*
6 *it in an Act of Congress.*

7 (2) *The provisions of paragraph (1) shall*
8 *apply—*

9 (A) *to all actions of the Government of the*
10 *United States under the U.S.-FSM Compact or*
11 *U.S.-RMI Compact including, but not limited to,*
12 *actions taken pursuant to sections 431, 441, or*
13 *442;*

14 (B) *to any amendment, change, or termi-*
15 *nation in the Agreement Between the Govern-*
16 *ment of the United States and the Government*
17 *of the Federated States of Micronesia Regarding*
18 *Friendship, Cooperation and Mutual Security*
19 *Concluded Pursuant to Sections 321 and 323 of*
20 *the Compact of Free Association referred to in*
21 *section 462(a)(2) of the U.S.-FSM Compact and*
22 *the Agreement Between the Government of the*
23 *United States and the Government of the Mar-*
24 *shall Islands Regarding Mutual Security Con-*
25 *cluded Pursuant to Sections 321 and 323 of the*

1 *Compact of Free Association referred to in sec-*
 2 *tion 462(a)(5) of the U.S.-RMI Compact;*

3 (C) *to any amendment, change, or termi-*
 4 *nation of the agreements concluded pursuant to*
 5 *Compact section 177, and section 215(a) of the*
 6 *U.S.-FSM Compact and section 216(a) of the*
 7 *U.S.-RMI Compact, the terms of which are in-*
 8 *corporated by reference into the U.S.-FSM Com-*
 9 *compact and the U.S.-RMI Compact; and*

10 (D) *to the following subsidiary agreements,*
 11 *or portions thereof:*

12 (i) *Articles III, IV, and X of the agree-*
 13 *ment referred to in section 462(b)(6) of the*
 14 *U.S.-RMI Compact:*

15 (ii) *Article III and IV of the agreement*
 16 *referred to in section 462(b)(6) of the U.S.-*
 17 *FSM Compact.*

18 (iii) *Articles VI, XV, and XVII of the*
 19 *agreement referred to in section 462(b)(7) of*
 20 *the U.S.-FSM Compact and U.S.-RMI*
 21 *Compact.*

22 (e) *SUBSIDIARY AGREEMENTS DEEMED BILATERAL.—*
 23 *For purposes of implementation of the U.S.-FSM Compact*
 24 *and the U.S.-RMI Compact and this joint resolution, the*
 25 *Agreement Concluded Pursuant to Section 234 of the Com-*

1 *pact of Free Association and referred to in section 462(a)(1)*
2 *of the U.S.-FSM Compact and section 462(a)(4) of the U.S.-*
3 *RMI Compact shall be deemed to be a bilateral agreement*
4 *between the United States and each other party to such sub-*
5 *sidary agreement. The consent or concurrence of any other*
6 *party shall not be required for the effectiveness of any ac-*
7 *tions taken by the United States in conjunction with either*
8 *the Federated States of Micronesia or the Republic of the*
9 *Marshall Islands which are intended to affect the implemen-*
10 *tation, modification, suspension, or termination of such*
11 *subsidiary agreement (or any provision thereof) as regards*
12 *the mutual responsibilities of the United States and the*
13 *party in conjunction with whom the actions are taken.*

14 *(f) ENTRY INTO FORCE OF FUTURE AMENDMENTS TO*
15 *SUBSIDIARY AGREEMENTS.—No agreement between the*
16 *United States and the government of either the Federated*
17 *States of Micronesia or the Republic of the Marshall Islands*
18 *which would amend, change, or terminate any subsidiary*
19 *agreement or portion thereof, other than those set forth in*
20 *subsection (d) of this section shall enter into force until 90*
21 *days after the President has transmitted such agreement to*
22 *the President of the Senate and the Speaker of the House*
23 *of Representatives together with an explanation of the*
24 *agreement and the reasons therefor. In the case of the agree-*
25 *ment referred to in section 462(b)(3) of the U.S.-FSM Com-*

1 *pact and the U.S.-RMI Compact, such transmittal shall in-*
 2 *clude a specific statement by the Secretary of Labor as to*
 3 *the necessity of such amendment, change, or termination,*
 4 *and the impact thereof.*

5 **SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MI-**
 6 **CRONESIA.**

7 (a) *LAW ENFORCEMENT ASSISTANCE.—Pursuant to*
 8 *sections 222 and 224 of the U.S.-FSM Compact, the United*
 9 *States shall provide non-reimbursable technical and train-*
 10 *ing assistance as appropriate, including training and*
 11 *equipment for postal inspection of illicit drugs and other*
 12 *contraband, to enable the Government of the Federated*
 13 *States of Micronesia to develop and adequately enforce laws*
 14 *of the Federated States of Micronesia and to cooperate with*
 15 *the United States in the enforcement of criminal laws of*
 16 *the United States. Funds appropriated pursuant to section*
 17 *105(j) of this title may be used to reimburse State or local*
 18 *agencies providing such assistance.*

19 (b) *AGREEMENT ON AUDITS.—The Comptroller Gen-*
 20 *eral (and his duly authorized representatives) shall have the*
 21 *authorities necessary to carry out his responsibilities under*
 22 *section 232 of the U.S.-FSM Compact and the agreement*
 23 *referred to in section 462(b)(4) of the U.S.-FSM Compact,*
 24 *including the following authorities:*

1 (1) *GENERAL AUTHORITY OF THE COMPTROLLER*
2 *GENERAL TO AUDIT.—*

3 (A) *The Comptroller General of the United*
4 *States (and his duly authorized representatives)*
5 *shall have the authority to audit—*

6 (i) *all grants, program assistance, and*
7 *other assistance provided to the Government*
8 *of the Federated States of Micronesia under*
9 *Articles I and II of Title Two of the U.S.-*
10 *FSM Compact; and*

11 (ii) *any other assistance provided by*
12 *the Government of the United States to the*
13 *Government of the Federated States of Mi-*
14 *cronesia.*

15 *Such authority shall include authority for the*
16 *Comptroller General to conduct or cause to be*
17 *conducted any of the audits provided for in sec-*
18 *tion 232 of the U.S.-FSM Compact. The author-*
19 *ity provided in this paragraph shall continue for*
20 *at least three years after the last such grant has*
21 *been made or assistance has been provided.*

22 (B) *The Comptroller General (and his duly*
23 *authorized representatives) shall also have au-*
24 *thority to review any audit conducted by or on*
25 *behalf of the Government of the United States. In*

1 *this connection, the Comptroller General shall*
2 *have access to such personnel and to such*
3 *records, documents, working papers, automated*
4 *data and files, and other information relevant to*
5 *such review.*

6 (2) *COMPTROLLER GENERAL ACCESS TO*
7 *RECORDS.—*

8 (A) *In carrying out paragraph (1), the*
9 *Comptroller General (and his duly authorized*
10 *representatives) shall have such access to the per-*
11 *sonnel and (without cost) to records, documents,*
12 *working papers, automated data and files, and*
13 *other information relevant to such audits. The*
14 *Comptroller General may duplicate any such*
15 *records, documents, working papers, automated*
16 *data and files, or other information relevant to*
17 *such audits.*

18 (B) *Such records, documents, working pa-*
19 *pers, automated data and files, and other infor-*
20 *mation regarding each such grant or other as-*
21 *sistance shall be maintained for at least five*
22 *years after the date such grant or assistance was*
23 *provided and in a manner that permits such*
24 *grants, assistance, and payments to be accounted*

1 *for distinct from any other funds of the Govern-*
2 *ment of the Federated States of Micronesia.*

3 (3) *STATUS OF COMPTROLLER GENERAL REP-*
4 *RESENTATIVES.—The Comptroller General and his*
5 *duly authorized representatives shall be immune from*
6 *civil and criminal process relating to words spoken or*
7 *written and all acts performed by them in their offi-*
8 *cial capacity and falling within their functions, ex-*
9 *cept insofar as such immunity may be expressly*
10 *waived by the Government of the United States. The*
11 *Comptroller General and his duly authorized rep-*
12 *resentatives shall not be liable to arrest or detention*
13 *pending trial, except in the case of a grave crime and*
14 *pursuant to a decision by a competent judicial au-*
15 *thority, and such persons shall enjoy immunity from*
16 *seizure of personal property, immigration restrictions,*
17 *and laws relating to alien registration,*
18 *fingerprinting, and the registration of foreign agents.*
19 *Such persons shall enjoy the same taxation exemp-*
20 *tions as are set forth in Article 34 of the Vienna Con-*
21 *vention on Diplomatic Relations. The privileges, ex-*
22 *emptions and immunities accorded under this para-*
23 *graph are not for the personal benefit of the individ-*
24 *uals concerned but are to safeguard the independent*
25 *exercise of their official functions. Without prejudice*

1 to those privileges, exemptions and immunities, it is
2 the duty of all such persons to respect the laws and
3 regulations of the Government of the Federated States
4 of Micronesia.

5 (4) *AUDITS DEFINED.*—As used in this sub-
6 section, the term “audits” includes financial, pro-
7 gram, and management audits, including
8 determining—

9 (A) whether the Government of the Fed-
10 erated States of Micronesia has met the require-
11 ments set forth in the U.S.-FSM Compact, or
12 any related agreement entered into under the
13 U.S.-FSM Compact, regarding the purposes for
14 which such grants and other assistance are to be
15 used; and

16 (B) the propriety of the financial trans-
17 actions of the Government of the Federated
18 States of Micronesia pursuant to such grants or
19 assistance.

20 (5) *COOPERATION BY FEDERATED STATES OF MI-*
21 *CRONESIA.*—The Government of the Federated States
22 of Micronesia will cooperate fully with the Comp-
23 troller General of the United States in the conduct of
24 such audits as the Comptroller General determines
25 necessary to enable the Comptroller General to fully

1 *discharge his responsibilities under this joint resolu-*
2 *tion.*

3 **SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RE-**
4 **LATED TO THE REPUBLIC OF THE MARSHALL**
5 **ISLANDS.**

6 (a) *LAW ENFORCEMENT ASSISTANCE.*—*Pursuant to*
7 *sections 222 and 224 of the U.S.-RMI Compact, the United*
8 *States shall provide non-reimbursable technical and train-*
9 *ing assistance as appropriate, including training and*
10 *equipment for postal inspection of illicit drugs and other*
11 *contraband, to enable the Government of the Marshall Is-*
12 *lands to develop and adequately enforce laws of the Mar-*
13 *shall Islands and to cooperate with the United States in*
14 *the enforcement of criminal laws of the United States.*
15 *Funds appropriated pursuant to section 105(j) of this title*
16 *may be used to reimburse State or local agencies providing*
17 *such assistance.*

18 (b) *EJIT.*—

19 (1) *In the joint resolution of January 14, 1986*
20 *(Public Law 99-239) Congress provided that the*
21 *President of the United States shall negotiate with the*
22 *Government of the Marshall Islands an agreement*
23 *whereby, without prejudice as to any claims which*
24 *have been or may be asserted by any party as to*
25 *rightful title and ownership of any lands on Ejit, the*

1 *Government of the Marshall Islands shall assure that*
2 *lands on Ejit used as of January 1, 1985, by the peo-*
3 *ple of Bikini, will continue to be available without*
4 *charge for their use, until such time as Bikini is re-*
5 *stored and inhabitable and the continued use of Ejit*
6 *is no longer necessary, unless a Marshall Islands*
7 *court of competent jurisdiction finally determines that*
8 *there are legal impediments to continued use of Ejit*
9 *by the people of Bikini.*

10 *(2) In the joint resolution of January 14, 1986*
11 *(Public Law 99-239) Congress provided that if the*
12 *impediments described in paragraph (1) do arise, the*
13 *United States will cooperate with the Government of*
14 *the Marshall Islands in assisting any person ad-*
15 *versely affected by such judicial determination to re-*
16 *main on Ejit, or in locating suitable and acceptable*
17 *alternative lands for such person's use.*

18 *(3) In the joint resolution of January 14, 1986*
19 *(Public Law 99-239) Congress provided that para-*
20 *graph (1) shall not be applied in a manner which*
21 *would prevent the Government of the Marshall Islands*
22 *from acting in accordance with its constitutional*
23 *processes to resolve title and ownership claims with*
24 *respect to such lands or from taking substitute or ad-*
25 *ditional measures to meet the needs of the people of*

1 *Bikini with their democratically expressed consent*
2 *and approval.*

3 (c) *SECTION 177 AGREEMENT.—*

4 (1) *In the joint resolution of January 14, 1986*
5 *(Public Law 99–239) Congress provided that in fur-*
6 *therance of the purposes of Article I of the Subsidiary*
7 *Agreement for Implementation of Section 177 of the*
8 *Compact, the payment of the amount specified therein*
9 *shall be made by the United States under Article I of*
10 *the Agreement between the Government of the United*
11 *States and the Government of the Marshall Islands*
12 *for the Implementation of section 177 of the Compact*
13 *(hereafter in this subsection referred to as the “Sec-*
14 *tion 177 Agreement”)* *only after the Government of*
15 *the Marshall Islands has notified the President of the*
16 *United States as to which investment management*
17 *firm has been selected by such Government to act as*
18 *Fund Manager under Article I of the Section 177*
19 *Agreement.*

20 (2) *In the joint resolution of January 14, 1986*
21 *(Public Law 99–239) Congress provided that in the*
22 *event that the President determines that an invest-*
23 *ment management firm selected by the Government of*
24 *the Marshall Islands does not meet the requirements*
25 *specified in Article I of the Section 177 Agreement,*

1 *the United States shall invoke the conference and dis-*
2 *pute resolution procedures of Article II of Title Four*
3 *of the Compact. Pending the resolution of such a dis-*
4 *pute and until a qualified Fund Manager has been*
5 *designated, the Government of the Marshall Islands*
6 *shall place the funds paid by the United States pur-*
7 *suant to Article I of the Section 177 Agreement into*
8 *an interest-bearing escrow account. Upon designation*
9 *of a qualified Fund Manager, all funds in the escrow*
10 *account shall be transferred to the control of such*
11 *Fund Manager for management pursuant to the Sec-*
12 *tion 177 Agreement.*

13 *(3) In the joint resolution of January 14, 1986*
14 *(Public Law 99-239) Congress provided that if the*
15 *Government of the Marshall Islands determines that*
16 *some other investment firm should act as Fund Man-*
17 *ager in place of the firm first (or subsequently) se-*
18 *lected by such Government, the Government of the*
19 *Marshall Islands shall so notify the President of the*
20 *United States, identifying the firm selected by such*
21 *Government to become Fund Manager, and the Presi-*
22 *dent shall proceed to evaluate the qualifications of*
23 *such identified firm.*

24 *(4) In the joint resolution of January 14, 1986*
25 *(Public Law 99-239) Congress provided that at the*

1 *end of 15 years after the effective date of the Compact,*
2 *the firm then acting as Fund Manager shall transfer*
3 *to the Government of the Marshall Islands, or to such*
4 *account as such Government shall so notify the Fund*
5 *Manager, all remaining funds and assets being man-*
6 *aged by the Fund Manager under the Section 177*
7 *Agreement.*

8 *(d) NUCLEAR TEST EFFECTS.—In the joint resolution*
9 *of January 14, 1986 (Public Law 99–239) Congress pro-*
10 *vided that in approving the Compact, the Congress under-*
11 *stands and intends that the peoples of Bikini, Enewetak,*
12 *Rongelap, and Utrik, who were affected by the United*
13 *States nuclear weapons testing program in the Marshall Is-*
14 *lands, will receive the amounts of \$75,000,000 (Bikini);*
15 *\$48,750,000 (Enewetak); \$37,500,000 (Rongelap); and*
16 *\$22,500,000 (Utrik), respectively, which amounts shall be*
17 *paid out of proceeds from the fund established under Article*
18 *I, section 1 of the subsidiary agreement for the implementa-*
19 *tion of section 177 of the Compact. The amounts specified*
20 *in this subsection shall be in addition to any amounts*
21 *which may be awarded to claimants pursuant to Article*
22 *IV of the subsidiary agreement for the implementation of*
23 *Section 177 of the Compact.*

24 *(e) ESPOUSAL PROVISIONS.—*

1 (1) *In the joint resolution of January 14, 1986*
2 *(Public Law 99–239) Congress provided that it is the*
3 *intention of the Congress of the United States that the*
4 *provisions of section 177 of the Compact of Free Asso-*
5 *ciation and the Agreement between the Government of*
6 *the United States and the Government of the Marshall*
7 *Islands for the Implementation of Section 177 of the*
8 *Compact (hereafter in this subsection referred to as*
9 *the “Section 177 Agreement”) constitute a full and*
10 *final settlement of all claims described in Articles X*
11 *and XI of the Section 177 Agreement, and that any*
12 *such claims be terminated and barred except insofar*
13 *as provided for in the Section 177 Agreement.*

14 (2) *In the joint resolution of January 14, 1986*
15 *(Public Law 99–239) Congress provided that in fur-*
16 *therance of the intention of Congress as stated in*
17 *paragraph (1) of this subsection, the Section 177*
18 *Agreement is hereby ratified and approved. It is the*
19 *explicit understanding and intent of Congress that the*
20 *jurisdictional limitations set forth in Article XII of*
21 *such Agreement are enacted solely and exclusively to*
22 *accomplish the objective of Article X of such Agree-*
23 *ment and only as a clarification of the effect of Arti-*
24 *cle X, and are not to be construed or implemented*
25 *separately from Article X.*

1 (f) *DOE RADIOLOGICAL HEALTH CARE PROGRAM;*
2 *USDA AGRICULTURAL AND FOOD PROGRAMS.—*

3 (1) *MARSHALL ISLANDS PROGRAM.—Notwith-*
4 *standing any other provision of law, upon the request*
5 *of the Government of the Republic of the Marshall Is-*
6 *lands, the President (either through an appropriate*
7 *department or agency of the United States or by con-*
8 *tract with a United States firm) shall continue to*
9 *provide special medical care and logistical support*
10 *thereto for the remaining members of the population*
11 *of Rongelap and Utrik who were exposed to radiation*
12 *resulting from the 1954 United States thermo-nuclear*
13 *“Bravo” test, pursuant to Public Laws 95–134 and*
14 *96–205.*

15 (2) *AGRICULTURAL AND FOOD PROGRAMS.—*

16 (A) *IN GENERAL.—In the joint resolution of*
17 *January 14, 1986 (Public Law 99–239) Con-*
18 *gress provided that notwithstanding any other*
19 *provision of law, upon the request of the Govern-*
20 *ment of the Marshall Islands, for the first fifteen*
21 *years after the effective date of the Compact, the*
22 *President (either through an appropriate depart-*
23 *ment or agency of the United States or by con-*
24 *tract with a United States firm or by a grant*
25 *to the Government of the Republic of the Mar-*

1 *shall Islands which may further contract only*
2 *with a United States firm or a Republic of the*
3 *Marshall Islands firm, the owners, officers and*
4 *majority of the employees of which are citizens*
5 *of the United States or the Republic of the Mar-*
6 *shall Islands) shall provide technical and other*
7 *assistance—*

8 *(i) without reimbursement, to continue*
9 *the planting and agricultural maintenance*
10 *program on Enewetak, as provided in sub-*
11 *paragraph (C); and*

12 *(ii) without reimbursement, to con-*
13 *tinue the food programs of the Bikini and*
14 *Enewetak people described in section 1(d) of*
15 *Article II of the Subsidiary Agreement for*
16 *the Implementation of Section 177 of the*
17 *Compact and for continued waterborne*
18 *transportation of agricultural products to*
19 *Enewetak including operations and mainte-*
20 *nance of the vessel used for such purposes.*

21 *(B) POPULATION CHANGES.—The President*
22 *shall ensure the assistance provided under these*
23 *programs reflects the changes in the population*
24 *since the inception of such programs.*

1 (C) *PLANTING AND AGRICULTURAL MAINTENANCE PROGRAM.*—

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3 (i) *IN GENERAL.*—*The planting and agricultural maintenance program on Enewetak shall be funded at a level of not less than \$1,300,000 per year, as adjusted for inflation under section 218 of the U.S.-RMI Compact.*

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9 (ii) *AUTHORIZATION AND CONTINUING APPROPRIATION.*—*There is hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for each fiscal year from 2004 through 2023, \$1,300,000, as adjusted for inflation under section 218 of the U.S.-RMI Compact, for grants to carry out the planting and agricultural maintenance program.*

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20 (3) *PAYMENTS.*—*In the joint resolution of January 14, 1986 (Public Law 99–239) Congress provided that payments under this subsection shall be provided to such extent or in such amounts as are necessary for services and other assistance provided pursuant to this subsection. It is the sense of Congress that after*

1 *the periods of time specified in paragraphs (1) and*
2 *(2) of this subsection, consideration will be given to*
3 *such additional funding for these programs as may be*
4 *necessary.*

5 *(g) RONGELAP.—*

6 *(1) In the joint resolution of January 14, 1986*
7 *(Public Law 99-239) Congress provided that because*
8 *Rongelap was directly affected by fallout from a 1954*
9 *United States thermonuclear test and because the*
10 *Rongelap people remain unconvinced that it is safe to*
11 *continue to live on Rongelap Island, it is the intent*
12 *of Congress to take such steps (if any) as may be nec-*
13 *essary to overcome the effects of such fallout on the*
14 *habitability of Rongelap Island, and to restore*
15 *Rongelap Island, if necessary, so that it can be safely*
16 *inhabited. Accordingly, it is the expectation of the*
17 *Congress that the Government of the Marshall Islands*
18 *shall use such portion of the funds specified in Article*
19 *II, section 1(e) of the subsidiary agreement for the*
20 *implementation of section 177 of the Compact as are*
21 *necessary for the purpose of contracting with a quali-*
22 *fied scientist or group of scientists to review the data*
23 *collected by the Department of Energy relating to ra-*
24 *diation levels and other conditions on Rongelap Is-*
25 *land resulting from the thermonuclear test. It is the*

1 *expectation of the Congress that the Government of the*
2 *Marshall Islands, after consultation with the people of*
3 *Rongelap, shall select the party to review such data,*
4 *and shall contract for such review and for submission*
5 *of a report to the President of the United States and*
6 *the Congress as to the results thereof.*

7 (2) *In the joint resolution of January 14, 1986*
8 *(Public Law 99–239) Congress provided that the pur-*
9 *pose of the review referred to in paragraph (1) of this*
10 *subsection shall be to establish whether the data cited*
11 *in support of the conclusions as to the habitability of*
12 *Rongelap Island, as set forth in the Department of*
13 *Energy report entitled: “The Meaning of Radiation*
14 *for Those Atolls in the Northern Part of the Marshall*
15 *Islands That Were Surveyed in 1978”, dated Novem-*
16 *ber 1982, are adequate and whether such conclusions*
17 *are fully supported by the data. If the party review-*
18 *ing the data concludes that such conclusions as to*
19 *habitability are fully supported by adequate data, the*
20 *report to the President of the United States and the*
21 *Congress shall so state. If the party reviewing the*
22 *data concludes that the data are inadequate to sup-*
23 *port such conclusions as to habitability or that such*
24 *conclusions as to habitability are not fully supported*
25 *by the data, the Government of the Marshall Islands*

1 *shall contract with an appropriate scientist or group*
2 *of scientists to undertake a complete survey of radi-*
3 *ation and other effects of the nuclear testing program*
4 *relating to the habitability of Rongelap Island. Such*
5 *sums as are necessary for such survey and report con-*
6 *cerning the results thereof and as to steps needed to*
7 *restore the habitability of Rongelap Island are au-*
8 *thorized to be made available to the Government of*
9 *the Marshall Islands.*

10 *(3) In the joint resolution of January 14, 1986*
11 *(Public Law 99–239) Congress provided that it is the*
12 *intent of Congress that such steps (if any) as are nec-*
13 *essary to restore the habitability of Rongelap Island*
14 *and return the Rongelap people to their homeland*
15 *will be taken by the United States in consultation*
16 *with the Government of the Marshall Islands and, in*
17 *accordance with its authority under the Constitution*
18 *of the Marshall Islands, the Rongelap local govern-*
19 *ment council.*

20 *(4) There are hereby authorized and appro-*
21 *priated to the Secretary of the Interior, out of any*
22 *funds in the Treasury not otherwise appropriated, to*
23 *remain available until expended, for fiscal year 2005,*
24 *\$1,780,000; for fiscal year 2006, \$1,760,000; and for*
25 *fiscal year 2007, \$1,760,000, as the final contribu-*

1 *tions of the United States to the Rongelap Resettle-*
2 *ment Trust Fund as established pursuant to Public*
3 *Law 102–154 (105 Stat. 1009), for the purposes of es-*
4 *tablishing a food importation program as a part of*
5 *the overall resettlement program of Rongelap Island.*

6 *(h) FOUR ATOLL HEALTH CARE PROGRAM.—*

7 *(1) In the joint resolution of January 14, 1986*
8 *(Public Law 99–239) Congress provided that services*
9 *provided by the United States Public Health Service*
10 *or any other United States agency pursuant to sec-*
11 *tion 1(a) of Article II of the Agreement for the Imple-*
12 *mentation of Section 177 of the Compact (hereafter in*
13 *this subsection referred to as the “Section 177 Agree-*
14 *ment”) shall be only for services to the people of the*
15 *Atolls of Bikini, Enewetak, Rongelap, and Utrik who*
16 *were affected by the consequences of the United States*
17 *nuclear testing program, pursuant to the program de-*
18 *scribed in Public Law 95–134 (91 Stat. 1159) and*
19 *Public Law 96–205 (94 Stat. 84) and their descend-*
20 *ants (and any other persons identified as having been*
21 *so affected if such identification occurs in the manner*
22 *described in such public laws). Nothing in this sub-*
23 *section shall be construed as prejudicial to the views*
24 *or policies of the Government of the Marshall Islands*

1 *as to the persons affected by the consequences of the*
2 *United States nuclear testing program.*

3 *(2) In the joint resolution of January 14, 1986*
4 *(Public Law 99–239) Congress provided that at the*
5 *end of the first year after the effective date of the*
6 *Compact and at the end of each year thereafter, the*
7 *providing agency or agencies shall return to the Gov-*
8 *ernment of the Marshall Islands any unexpended*
9 *funds to be returned to the Fund Manager (as de-*
10 *scribed in Article I of the Section 177 Agreement) to*
11 *be covered into the Fund to be available for future*
12 *use.*

13 *(3) In the joint resolution of January 14, 1986*
14 *(Public Law 99–239) Congress provided that the*
15 *Fund Manager shall retain the funds returned by the*
16 *Government of the Marshall Islands pursuant to*
17 *paragraph (2) of this subsection, shall invest and*
18 *manage such funds, and at the end of 15 years after*
19 *the effective date of the Compact, shall make from the*
20 *total amount so retained and the proceeds thereof an-*
21 *ual disbursements sufficient to continue to make*
22 *payments for the provision of health services as speci-*
23 *fied in paragraph (1) of this subsection to such extent*
24 *as may be provided in contracts between the Govern-*

1 *ment of the Marshall Islands and appropriate United*
 2 *States providers of such health services.*

3 (i) *ENJEBI COMMUNITY TRUST FUND.*—*In the joint*
 4 *resolution of January 14, 1986 (Public Law 99–239) Con-*
 5 *gress provided that notwithstanding any other provision of*
 6 *law, the Secretary of the Treasury shall establish on the*
 7 *books of the Treasury of the United States a fund having*
 8 *the status specified in Article V of the subsidiary agreement*
 9 *for the implementation of Section 177 of the Compact, to*
 10 *be known as the “Enjebi Community Trust Fund” (here-*
 11 *after in this subsection referred to as the “Fund”), and shall*
 12 *credit to the Fund the amount of \$7,500,000. Such amount,*
 13 *which shall be ex gratia, shall be in addition to and not*
 14 *charged against any other funds provided for in the Com-*
 15 *pact and its subsidiary agreements, this joint resolution,*
 16 *or any other Act. Upon receipt by the President of the*
 17 *United States of the agreement described in this subsection,*
 18 *the Secretary of the Treasury, upon request of the Govern-*
 19 *ment of the Marshall Islands, shall transfer the Fund to*
 20 *the Government of the Marshall Islands, provided that the*
 21 *Government of the Marshall Islands agrees as follows:*

22 (1) *ENJEBI TRUST AGREEMENT.*—*In the joint*
 23 *resolution of January 14, 1986 (Public Law 99–239)*
 24 *Congress provided that the Government of the Mar-*
 25 *shall Islands and the Enewetak Local Government*

1 *Council, in consultation with the people of Enjebi,*
2 *shall provide for the creation of the Enjebi Commu-*
3 *nity Trust Fund and the employment of the manager*
4 *of the Enewetak Fund established pursuant to the*
5 *Section 177 Agreement as trustee and manager of the*
6 *Enjebi Community Trust Fund, or, should the man-*
7 *ager of the Enewetak Fund not be acceptable to the*
8 *people of Enjebi, another United States investment*
9 *manager with substantial experience in the adminis-*
10 *tration of trusts and with funds under management*
11 *in excess of \$250,000,000.*

12 (2) *MONITOR CONDITIONS.—In the joint resolu-*
13 *tion of January 14, 1986 (Public Law 99–239) Con-*
14 *gress provided that upon the request of the Govern-*
15 *ment of the Marshall Islands, the United States shall*
16 *monitor the radiation and other conditions on Enjebi*
17 *and within one year of receiving such a request shall*
18 *report to the Government of the Marshall Islands*
19 *when the people of Enjebi may resettle Enjebi under*
20 *circumstances where the radioactive contamination at*
21 *Enjebi, including contamination derived from con-*
22 *sumption of locally grown food products, can be re-*
23 *duced or otherwise controlled to meet whole body Fed-*
24 *eral radiation protection standards for the general*

1 *population, including mean annual dose and mean*
2 *30-year cumulative dose standards.*

3 (3) *RESETTLEMENT OF ENJEBI.*—*In the joint*
4 *resolution of January 14, 1986 (Public Law 99–239)*
5 *Congress provided that in the event that the United*
6 *States determines that the people of Enjebi can with-*
7 *in 25 years of January 14, 1986, resettle Enjebi*
8 *under the conditions set forth in paragraph (2) of this*
9 *subsection, then upon such determination there shall*
10 *be available to the people of Enjebi from the Fund*
11 *such amounts as are necessary for the people of*
12 *Enjebi to do the following, in accordance with a plan*
13 *developed by the Enewetak Local Government Council*
14 *and the people of Enjebi, and concurred with by the*
15 *Government of the Marshall Islands to assure consist-*
16 *ency with the government’s overall economic develop-*
17 *ment plan:*

18 (A) *Establish a community on Enjebi Is-*
19 *land for the use of the people of Enjebi.*

20 (B) *Replant Enjebi with appropriate food-*
21 *bearing and other vegetation.*

22 (4) *RESETTLEMENT OF OTHER LOCATION.*—*In*
23 *the joint resolution of January 14, 1986 (Public Law*
24 *99–239) Congress provided that in the event that the*
25 *United States determines that within 25 years of*

1 *January 14, 1986, the people of Enjebi cannot resettle*
2 *Enjebi without exceeding the radiation standards set*
3 *forth in paragraph (2) of this subsection, then the*
4 *fund manager shall be directed by the trust instru-*
5 *ment to distribute the Fund to the people of Enjebi*
6 *for their resettlement at some other location in ac-*
7 *cordance with a plan, developed by the Enewetak*
8 *Local Government Council and the people of Enjebi*
9 *and concurred with by the Government of the Mar-*
10 *shall Islands, to assure consistency with the govern-*
11 *ment's overall economic development plan.*

12 (5) *INTEREST FROM FUND.*—*In the joint resolu-*
13 *tion of January 14, 1986 (Public Law 99–239) Con-*
14 *gress provided that prior to and during the distribu-*
15 *tion of the corpus of the Fund pursuant to para-*
16 *graphs (3) and (4) of this subsection, the people of*
17 *Enjebi may, if they so request, receive the interest*
18 *earned by the Fund on no less frequent a basis than*
19 *quarterly.*

20 (6) *DISCLAIMER OF LIABILITY.*—*In the joint res-*
21 *olution of January 14, 1986 (Public Law 99–239)*
22 *Congress provided that neither under the laws of the*
23 *Marshall Islands nor under the laws of the United*
24 *States, shall the Government of the United States be*
25 *liable for any loss or damage to person or property*

1 *in respect to the resettlement of Enjebi by the people*
2 *of Enjebi, pursuant to the provision of this subsection*
3 *or otherwise.*

4 (j) *BIKINI ATOLL CLEANUP.—*

5 (1) *DECLARATION OF POLICY.—In the joint reso-*
6 *lution of January 14, 1986 (Public Law 99–239), the*
7 *Congress determined and declared that it is the policy*
8 *of the United States, to be supported by the full faith*
9 *and credit of the United States, that because the*
10 *United States, through its nuclear testing and other*
11 *activities, rendered Bikini Atoll unsafe for habitation*
12 *by the people of Bikini, the United States will fulfill*
13 *its responsibility for restoring Bikini Atoll to habit-*
14 *ability, as set forth in paragraph (2) and (3) of this*
15 *subsection.*

16 (2) *CLEANUP FUNDS.—The joint resolution of*
17 *January 14, 1986 (Public Law 99–239) authorized to*
18 *be appropriated such sums as necessary to implement*
19 *the settlement agreement of March 15, 1985, in The*
20 *People of Bikini, et al. against United States of*
21 *America, et al., Civ. No. 84–0425 (D. Ha.).*

22 (3) *CONDITIONS OF FUNDING.—In the joint reso-*
23 *lution of January 14, 1986 (Public Law 99–239) the*
24 *Congress provided that the funds referred to in para-*
25 *graph (2) were to be made available pursuant to Arti-*

1 *cle VI, Section 1 of the Compact Section 177 Agree-*
 2 *ment upon completion of the events set forth in the*
 3 *settlement agreement referred to in paragraph (2) of*
 4 *this subsection.*

5 *(k) AGREEMENT ON AUDITS.—The Comptroller Gen-*
 6 *eral (and his duly authorized representatives) shall have the*
 7 *authorities necessary to carry out his responsibilities under*
 8 *section 232 of the U.S.-RMI Compact and the agreement*
 9 *referred to in section 462(b)(4) of the U.S.-RMI Compact,*
 10 *including the following authorities:*

11 *(1) GENERAL AUTHORITY OF THE COMPTROLLER*
 12 *GENERAL TO AUDIT.—*

13 *(A) The Comptroller General of the United*
 14 *States (and his duly authorized representatives)*
 15 *shall have the authority to audit—*

16 *(i) all grants, program assistance, and*
 17 *other assistance provided to the Government*
 18 *of the Republic of the Marshall Islands*
 19 *under Articles I and II of Title Two of the*
 20 *U.S.-RMI Compact; and*

21 *(ii) any other assistance provided by*
 22 *the Government of the United States to the*
 23 *Government of the Republic of the Marshall*
 24 *Islands.*

1 *Such authority shall include authority for the*
2 *Comptroller General to conduct or cause to be*
3 *conducted any of the audits provided for in sec-*
4 *tion 232 of the U.S.-RMI Compact. The author-*
5 *ity provided in this paragraph shall continue for*
6 *at least three years after the last such grant has*
7 *been made or assistance has been provided.*

8 *(B) The Comptroller General (and his duly*
9 *authorized representatives) shall also have au-*
10 *thority to review any audit conducted by or on*
11 *behalf of the Government of the United States. In*
12 *this connection, the Comptroller General shall*
13 *have access to such personnel and to such*
14 *records, documents, working papers, automated*
15 *data and files, and other information relevant to*
16 *such review.*

17 (2) *COMPTROLLER GENERAL ACCESS TO*
18 *RECORDS.—*

19 *(A) In carrying out paragraph (1), the*
20 *Comptroller General (and his duly authorized*
21 *representatives) shall have such access to the per-*
22 *sonnel and (without cost) to records, documents,*
23 *working papers, automated data and files, and*
24 *other information relevant to such audits. The*
25 *Comptroller General may duplicate any such*

1 *records, documents, working papers, automated*
2 *data and files, or other information relevant to*
3 *such audits.*

4 *(B) Such records, documents, working pa-*
5 *pers, automated data and files, and other infor-*
6 *mation regarding each such grant or other as-*
7 *stance shall be maintained for at least five*
8 *years after the date such grant or assistance was*
9 *provided and in a manner that permits such*
10 *grants, assistance and payments to be accounted*
11 *for distinct from any other funds of the Govern-*
12 *ment of the Republic of the Marshall Islands.*

13 (3) *STATUS OF COMPTROLLER GENERAL REP-*
14 *RESENTATIVES.—The Comptroller General and his*
15 *duly authorized representatives shall be immune from*
16 *civil and criminal process relating to words spoken or*
17 *written and all acts performed by them in their offi-*
18 *cial capacity and falling within their functions, ex-*
19 *cept insofar as such immunity may be expressly*
20 *waived by the Government of the United States. The*
21 *Comptroller General and his duly authorized rep-*
22 *resentatives shall not be liable to arrest or detention*
23 *pending trial, except in the case of a grave crime and*
24 *pursuant to a decision by a competent judicial au-*
25 *thority, and such persons shall enjoy immunity from*

1 seizure of personal property, immigration restrictions,
2 and laws relating to alien registration,
3 fingerprinting, and the registration of foreign agents.
4 Such persons shall enjoy the same taxation exemp-
5 tions as are set forth in Article 34 of the Vienna Con-
6 vention on Diplomatic Relations. The privileges, ex-
7 emptions and immunities accorded under this para-
8 graph are not for the personal benefit of the individ-
9 uals concerned but are to safeguard the independent
10 exercise of their official functions. Without prejudice
11 to those privileges, exemptions and immunities, it is
12 the duty of all such persons to respect the laws and
13 regulations of the Government of the Republic of the
14 Marshall Islands.

15 (4) AUDITS DEFINED.—As used in this sub-
16 section, the term “audits” includes financial, pro-
17 gram, and management audits, including
18 determining—

19 (A) whether the Government of the Republic
20 of the Marshall Islands has met the requirements
21 set forth in the U.S.-RMI Compact, or any re-
22 lated agreement entered into under the U.S.-RMI
23 Compact, regarding the purposes for which such
24 grants and other assistance are to be used; and

1 (B) *the propriety of the financial trans-*
2 *actions of the Government of the Republic of the*
3 *Marshall Islands pursuant to such grants or as-*
4 *sistance.*

5 (5) *COOPERATION BY THE REPUBLIC OF THE*
6 *MARSHALL ISLANDS.—The Government of the Repub-*
7 *lic of the Marshall Islands will cooperate fully with*
8 *the Comptroller General of the United States in the*
9 *conduct of such audits as the Comptroller General de-*
10 *termines necessary to enable the Comptroller General*
11 *to fully discharge his responsibilities under this joint*
12 *resolution.*

13 (1) *KWAJALEIN.—*

14 (1) *STATEMENT OF POLICY.—It is the policy of*
15 *the United States that payment of funds by the Gov-*
16 *ernment of the Marshall Islands to the landowners of*
17 *Kwajalein Atoll in accordance with the land use*
18 *agreement dated October 19, 1982, or as amended or*
19 *superseded, and any related allocation agreements, is*
20 *required in order to ensure that the Government of*
21 *the United States will be able to fulfill its obligation*
22 *and responsibilities under Title Three of the U.S.-*
23 *RMI Compact and the subsidiary agreements con-*
24 *cluded pursuant to the U.S.-RMI Compact.*

25 (2) *FAILURE TO PAY.—*

1 (A) *IN GENERAL.*—*If the Government of the*
2 *Marshall Islands fails to make payments in ac-*
3 *cordance with paragraph (1), the Government of*
4 *the United States shall initiate procedures under*
5 *section 313 of the U.S.-RMI Compact and con-*
6 *sult with the Government of the Marshall Islands*
7 *with respect to the basis for the nonpayment of*
8 *funds.*

9 (B) *RESOLUTION.*—*The United States shall*
10 *expeditiously resolve the matter of any non-*
11 *payment of funds required under paragraph (1)*
12 *pursuant to section 313 of the U.S.-RMI Com-*
13 *compact and the authority and responsibility of the*
14 *Government of the United States for security*
15 *and defense matters in or relating to the Mar-*
16 *shall Islands. This paragraph shall be enforced,*
17 *as may be necessary, in accordance with section*
18 *105(e).*

19 (3) *DISPOSITION OF INCREASED PAYMENTS*
20 *PENDING NEW LAND USE AGREEMENT.*—*Until such*
21 *time as the Government of the Marshall Islands and*
22 *the landowners of Kwajalein Atoll have concluded an*
23 *agreement amending or superseding the land use*
24 *agreement reflecting the terms of and consistent with*
25 *the Military Use Operating Rights Agreement dated*

1 *October 19, 1982, any amounts paid by the United*
2 *States to the Government of the Marshall Islands in*
3 *excess of the amounts required to be paid pursuant to*
4 *the land use agreement dated October 19, 1982, shall*
5 *be paid into, and held in, an interest bearing escrow*
6 *account in a United States financial institution by*
7 *the Government of the Republic of the Marshall Is-*
8 *lands. At such time, the funds and interest held in es-*
9 *crow shall be paid to the landowners of Kwajalein in*
10 *accordance with the new land use agreement. If no*
11 *such agreement is concluded by the date which is five*
12 *years after the date of enactment of this resolution,*
13 *then such funds and interest shall, unless otherwise*
14 *mutually agreed between the Government of the*
15 *United States of America and the Government of the*
16 *Republic of the Marshall Islands, be returned to the*
17 *U.S. Treasury.*

18 *(4) NOTIFICATIONS AND REPORT.—*

19 *(A) The Government of the Republic of the*
20 *Marshall Islands shall notify the Government of*
21 *the United States of America when an agreement*
22 *amending or superseding the land use agreement*
23 *dated October 19, 1982, is concluded.*

24 *(B) If no agreement amending or super-*
25 *seding the land use agreement dated October 19,*

1 1982 is concluded by the date five years after the
 2 date of enactment of this resolution, then the
 3 President shall report to Congress on the inten-
 4 tions of the United States with respect to the use
 5 of Kwajalein Atoll after 2016, on any plans to
 6 relocate activities carried out on Kwajalein
 7 Atoll, and on the disposition of the funds and in-
 8 terest held in escrow under paragraph (3).

9 (5) ASSISTANCE.—The President is authorized to
 10 make loans and grants to the Government of the Mar-
 11 shall Islands to address the special needs of the com-
 12 munity at Ebeye, Kwajalein Atoll, and other
 13 Marshallese communities within the Kwajalein Atoll,
 14 pursuant to development plans adopted in accordance
 15 with applicable laws of the Marshall Islands. The
 16 loans and grants shall be subject to such other terms
 17 and conditions as the President, in the discretion of
 18 the President, may determine are appropriate.

19 **SEC. 104. INTERPRETATION OF AND UNITED STATES POL-**
 20 **ICY REGARDING U.S.-FSM COMPACT AND U.S.-**
 21 **RMI COMPACT.**

22 (a) HUMAN RIGHTS.—In approving the U.S.-FSM
 23 Compact and the U.S.-RMI Compact, Congress notes the
 24 conclusion in the Statement of Intent of the Report of The
 25 Future Political Status Commission of the Congress of Mi-

1 *cronesia in July, 1969, that “our recommendation of a free*
 2 *associated state is indissolubly linked to our desire for such*
 3 *a democratic, representative, constitutional government”*
 4 *and notes that such desire and intention are reaffirmed and*
 5 *embodied in the Constitutions of the Federated States of Mi-*
 6 *cronesia and the Republic of the Marshall Islands. Congress*
 7 *also notes and specifically endorses the preamble to the*
 8 *U.S.-FSM Compact and the U.S.-RMI Compact, which af-*
 9 *firms that the governments of the parties to the U.S.-FSM*
 10 *Compact and the U.S.-RMI Compact are founded upon re-*
 11 *spect for human rights and fundamental freedoms for all.*
 12 *The Secretary of State shall include in the annual reports*
 13 *on the status of internationally recognized human rights in*
 14 *foreign countries, which are submitted to Congress pursuant*
 15 *to sections 116 and 502B of the Foreign Assistance Act of*
 16 *1961, “22 U.S.C. 2151n, 2304” a full and complete report*
 17 *regarding the status of internationally recognized human*
 18 *rights in the Federated States of Micronesia and the Repub-*
 19 *lic of the Marshall Islands.*

20 (b) *IMMIGRATION AND PASSPORT SECURITY.—*

21 (1) *NATURALIZED CITIZENS.—The rights of a*
 22 *bona fide naturalized citizen of the Federated States*
 23 *of Micronesia or the Republic of the Marshall Islands*
 24 *to enter the United States, to lawfully engage therein*
 25 *in occupations, and to establish residence therein as*

1 *a nonimmigrant, to the extent such rights are pro-*
2 *vided under section 141 of the U.S.-FSM Compact*
3 *and U.S.-RMI Compact, shall not be deemed to ex-*
4 *tend to any such naturalized citizen with respect to*
5 *whom circumstances associated with the acquisition*
6 *of the status of a naturalized citizen are such as to*
7 *allow a reasonable inference, on the part of appro-*
8 *priate officials of the United States and subject to*
9 *United States procedural requirements, that such nat-*
10 *uralized status was acquired primarily in order to*
11 *obtain such rights.*

12 (2) *PASSPORTS.—It is the sense of Congress that*
13 *up to \$250,000 of the grant assistance provided to the*
14 *Federated States of Micronesia pursuant to section*
15 *211(a)(4) of the U.S.-FSM Compact, and up to*
16 *\$250,000 of the grant assistance provided to the Re-*
17 *public of the Marshall Islands pursuant to section*
18 *211(a)(4) of the U.S.-RMI Compact (or a greater*
19 *amount of the section 211(a)(4) grant, if mutually*
20 *agreed between the Government of the United States*
21 *and the government of the Federated States of Micro-*
22 *nesia or the government of the Republic of the Mar-*
23 *shall Islands), be used for the purpose of increasing*
24 *the machine-readability and security of passports*
25 *issued by such jurisdictions. It is further the sense of*

1 Congress that such funds be obligated by September
2 30, 2004 and in the amount and manner specified by
3 the Secretary of State in consultation with the Sec-
4 retary of Homeland Security and, respectively, with
5 the government of the Federated States of Micronesia
6 and the government of the Republic of the Marshall
7 Islands. The United States Government is authorized
8 to require that passports used for the purpose of seek-
9 ing admission under section 141 of the U.S.-FSM
10 Compact and the U.S.-RMI Compact contain the se-
11 curity enhancements funded by such assistance.

12 (3) *INFORMATION-SHARING.*—It is the sense of
13 Congress that the governments of the Federated States
14 of Micronesia and the Republic of the Marshall Is-
15 lands develop, prior to October 1, 2004, the capability
16 to provide reliable and timely information as may
17 reasonably be required by the Government of the
18 United States in enforcing criminal and security-re-
19 lated grounds of inadmissibility and deportability
20 under the Immigration and Nationality Act, as
21 amended, and shall provide such information to the
22 Government of the United States.

23 (4) *TRANSITION; CONSTRUCTION OF SECTIONS*
24 *141(a)(3) AND 141(a)(4) OF THE U.S.-FSM COMPACT*
25 *AND U.S.-RMI COMPACT.*—The words “the effective

1 *date of this Compact, as amended” in sections*
2 *141(a)(3) and 141(a)(4) of the U.S.-FSM Compact*
3 *and the U.S.-RMI Compact shall be construed to*
4 *read, “on the day prior to the enactment by the*
5 *United States Congress of the Compact of Free Asso-*
6 *ciation Amendments Act of 2003.”.*

7 *(c) NONALIENATION OF LANDS.—Congress endorses*
8 *and encourages the maintenance of the policies of the Gov-*
9 *ernment of the Federated States of Micronesia and the Gov-*
10 *ernment of the Republic of the Marshall Islands to regulate,*
11 *in accordance with their Constitutions and laws, the alien-*
12 *ation of permanent interests in real property so as to re-*
13 *strict the acquisition of such interests to persons of Fed-*
14 *erated States of Micronesia citizenship and the Republic of*
15 *the Marshall Islands citizenship, respectively.*

16 *(d) NUCLEAR WASTE DISPOSAL.—In approving the*
17 *U.S.-FSM Compact and the U.S.-RMI Compact, Congress*
18 *understands that the Government of the Federated States*
19 *of Micronesia and the Government of the Republic of the*
20 *Marshall Islands will not permit any other government or*
21 *any nongovernmental party to conduct, in the Republic of*
22 *the Marshall Islands or in the Federated States of Micro-*
23 *nesia, any of the activities specified in subsection (a) of sec-*
24 *tion 314 of the U.S.-FSM Compact and the U.S.-RMI Com-*
25 *pact.*

1 (e) *IMPACT OF THE U.S.-FSM COMPACT AND THE*
2 *U.S.-RMI COMPACT ON THE STATE OF HAWAII, GUAM, THE*
3 *COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS*
4 *AND AMERICAN SAMOA; RELATED AUTHORIZATION AND*
5 *CONTINUING APPROPRIATION.*—

6 (1) *STATEMENT OF CONGRESSIONAL INTENT.*—*In*
7 *reauthorizing the U.S.-FSM Compact and the U.S.-*
8 *RMI Compact, it is not the intent of Congress to*
9 *cause any adverse consequences for an affected juris-*
10 *diction.*

11 (2) *DEFINITIONS.*—*For the purposes of this*
12 *title—*

13 (A) *the term “affected jurisdiction” means*
14 *American Samoa, Guam, the Commonwealth of*
15 *the Northern Mariana Islands, or the State of*
16 *Hawaii; and*

17 (B) *the term “qualified nonimmigrant”*
18 *means a person, or their children under the age*
19 *of 18, admitted or resident pursuant to section*
20 *141 of the U.S.-RMI or U.S.-FSM Compact, or*
21 *section 141 of the Palau Compact who, as of a*
22 *date referenced in the most recently published*
23 *enumeration is a resident of an affected jurisdic-*
24 *tion. As used in this subsection, the term “resi-*
25 *dent” shall be a person who has a “residence,”*

1 *as that term is defined in section 101(a)(33) of*
2 *the Immigration and Nationality Act, as amend-*
3 *ed.*

4 (3) *AUTHORIZATION AND CONTINUING APPRO-*
5 *PRIATION.—There is hereby authorized and appro-*
6 *priated to the Secretary of the Interior, out of any*
7 *funds in the Treasury not otherwise appropriated, to*
8 *remain available until expended, for each fiscal year*
9 *from 2004 through 2023, \$30,000,000 for grants to af-*
10 *ected jurisdictions to aid in defraying costs incurred*
11 *by affected jurisdictions as a result of increased de-*
12 *mands placed on health, educational, social, or public*
13 *safety services or infrastructure related to such serv-*
14 *ices due to the residence in affected jurisdictions of*
15 *qualified nonimmigrants from the Republic of the*
16 *Marshall Islands, the Federated States of Micronesia,*
17 *or the Republic of Palau. The grants shall be—*

18 (A) *awarded and administered by the De-*
19 *partment of the Interior, Office of Insular Af-*
20 *airs, or any successor thereto, in accordance*
21 *with regulations, policies and procedures appli-*
22 *cable to grants so awarded and administered,*
23 *and*

24 (B) *used only for health, educational, social,*
25 *or public safety services, or infrastructure related*

1 to such services, specifically affected by qualified
2 nonimmigrants.

3 (4) *ENUMERATION.*—The Secretary of the Inte-
4 rior shall conduct periodic enumerations of qualified
5 nonimmigrants in each affected jurisdiction. The
6 enumerations—

7 (A) shall be conducted at such intervals as
8 the Secretary of the Interior shall determine, but
9 no less frequently than every five years, begin-
10 ning in fiscal year 2003;

11 (B) shall be supervised by the United States
12 Bureau of the Census or such other organization
13 as the Secretary of the Interior may select; and

14 (C) after fiscal year 2003, shall be funded
15 by the Secretary of the Interior by deducting
16 such sums as are necessary, but not to exceed
17 \$300,000 as adjusted for inflation pursuant to
18 section 217 of the U.S. FSM Compact with fiscal
19 year 2003 as the base year, per enumeration,
20 from funds appropriated pursuant to the author-
21 ization contained in paragraph (3) of this sub-
22 section.

23 (5) *ALLOCATION.*—The Secretary of the Interior
24 shall allocate to the government of each affected juris-
25 diction, on the basis of the results of the most recent

1 enumeration, grants in an aggregate amount equal to
 2 the total amount of funds appropriated under para-
 3 graph (3) of this subsection, as reduced by any deduc-
 4 tions authorized by subparagraph (C) of paragraph
 5 (4) of this subsection, multiplied by a ratio derived
 6 by dividing the number of qualified nonimmigrants
 7 in such affected jurisdiction by the total number of
 8 qualified nonimmigrants in all affected jurisdictions.

9 (6) *AUTHORIZATION FOR HEALTH CARE REIM-*
 10 *BURSEMENT.*—There are hereby authorized to be ap-
 11 propriated to the Secretary of the Interior such sums
 12 as may be necessary to reimburse health care institu-
 13 tions in the affected jurisdictions for costs resulting
 14 from the migration of citizens of the Republic of the
 15 Marshall Islands, the Federated States of Micronesia
 16 and the Republic of Palau to the affected jurisdictions
 17 as a result of the implementation of the Compact of
 18 Free Association, approved by Public Law 99–239, or
 19 the approval of the U.S.-FSM Compact and the U.S.-
 20 RMI Compact by this resolution.

21 (7) *USE OF DOD MEDICAL FACILITIES AND NA-*
 22 *TIONAL HEALTH SERVICE CORPS.*—

23 (A) *DOD MEDICAL FACILITIES.*—The Sec-
 24 retary of Defense shall make available, on a
 25 space available and reimbursable basis, the med-

1 *ical facilities of the Department of Defense for*
2 *use by citizens of the Federated States of Micro-*
3 *nesia and the Republic of the Marshall Islands*
4 *who are properly referred to the facilities by gov-*
5 *ernment authorities responsible for provision of*
6 *medical services in the Federated States of Mi-*
7 *cronesia, the Republic of the Marshall Islands,*
8 *the Republic of Palau and the affected jurisdic-*
9 *tions.*

10 (B) *NATIONAL HEALTH SERVICE CORPS.—*
11 *The Secretary of Health and Human Services*
12 *shall continue to make the services of the Na-*
13 *tional Health Service Corps available to the resi-*
14 *dents of the Federated States of Micronesia and*
15 *the Republic of the Marshall Islands to the same*
16 *extent and for so long as such services are au-*
17 *thorized to be provided to persons residing in*
18 *any other areas within or outside the United*
19 *States.*

20 (C) *AUTHORIZATION OF APPROPRIA-*
21 *TIONS.—There are authorized to be appropriated*
22 *to carry out this paragraph such sums as are*
23 *necessary for each fiscal year.*

24 (8) *REPORTING REQUIREMENT.—Not later than*
25 *one year after the date of enactment of this joint reso-*

1 *lution, and at one year intervals thereafter, the Gov-*
2 *ernors of Guam, the State of Hawaii, the Common-*
3 *wealth of the Northern Mariana Islands, and Amer-*
4 *ican Samoa may provide to the Secretary of the Inte-*
5 *rior by February 1 of each year their comments with*
6 *respect to the impacts of the Compacts on their re-*
7 *spective jurisdiction. The Secretary of the Interior,*
8 *upon receipt of any such comments, shall report to the*
9 *Congress not later than May 1 of each year to include*
10 *the following:*

11 *(A) The Governor's comments on the im-*
12 *pacts of the Compacts as well as the Administra-*
13 *tion's analysis of such impact.*

14 *(B) The Administration views on any rec-*
15 *ommendations for corrective action to eliminate*
16 *those consequences as proposed by such Gov-*
17 *ernors.*

18 *(C) With regard to immigration, statistics*
19 *concerning the number of persons availing them-*
20 *selves of the rights described in section 141(a) of*
21 *the Compact during the year covered by each re-*
22 *port.*

23 *(D) With regard to trade, an analysis of the*
24 *impact on the economy of American Samoa re-*
25 *sulting from imports of canned tuna into the*

1 *United States from the Federated States of Mi-*
 2 *cronesia, and the Republic of the Marshall Is-*
 3 *lands.*

4 (9) *RECONCILIATION OF UNREIMBURSED IMPACT*
 5 *EXPENSES.—*

6 (A) *IN GENERAL.—Notwithstanding any*
 7 *other provision of law, the President, to address*
 8 *previously accrued and unreimbursed impact ex-*
 9 *penditures, may at the request of the Governor of*
 10 *Guam or the Governor of the Commonwealth of*
 11 *the Northern Mariana Islands, reduce, release, or*
 12 *waive all or part of any amounts owed by the*
 13 *Government of Guam or the Government of the*
 14 *Commonwealth of the Northern Mariana Islands*
 15 *(or either government’s autonomous agencies or*
 16 *instrumentalities), respectively, to any depart-*
 17 *ment, agency, independent agency, office, or in-*
 18 *strumentality of the United States.*

19 (B) *TERMS AND CONDITIONS.—*

20 (i) *SUBSTANTIATION OF IMPACT*
 21 *COSTS.—Not later than 120 days after the*
 22 *date of the enactment of this resolution, the*
 23 *Governor of Guam and the Governor of the*
 24 *Commonwealth of the Northern Mariana Is-*
 25 *lands shall each submit to the Secretary of*

1 *the Interior a report, prepared in consulta-*
2 *tion with an independent accounting firm,*
3 *substantiating unreimbursed impact ex-*
4 *penditures claimed for the period from January*
5 *14, 1986, through September 30, 2003.*
6 *Upon request of the Secretary of the Inte-*
7 *rior, the Governor of Guam and the Gov-*
8 *ernor of the Commonwealth of the Northern*
9 *Mariana Islands shall submit to the Sec-*
10 *retary of the Interior copies of all docu-*
11 *ments upon which the report submitted by*
12 *that Governor under this clause was based.*

13 (ii) *CONGRESSIONAL NOTIFICATION.—*
14 *The President shall notify Congress of his*
15 *intent to exercise the authority granted in*
16 *subparagraph (A).*

17 (iii) *CONGRESSIONAL REVIEW AND*
18 *COMMENT.—Any reduction, release, or*
19 *waiver under this Act shall not take effect*
20 *until 60 days after the President notifies*
21 *Congress of his intent to approve a request*
22 *of the Governor of Guam or the Governor of*
23 *the Commonwealth of the Northern Mariana*
24 *Islands. In exercising his authority under*
25 *this section and in determining whether to*

1 *give final approval to a request, the Presi-*
2 *dent shall take into consideration comments*
3 *he may receive after Congressional review.*

4 *(iv) EXPIRATION.—The authority*
5 *granted in subparagraph (A) shall expire*
6 *on February 28, 2005.*

7 (10) *AUTHORIZATION OF APPROPRIATIONS FOR*
8 *GRANTS.—There are hereby authorized to the Sec-*
9 *retary of the Interior for each of fiscal years 2004*
10 *through 2023 such sums as may be necessary for*
11 *grants to the governments of Guam, the State of Ha-*
12 *waii, the Commonwealth of the Northern Mariana Is-*
13 *lands, and American Samoa, as a result of increased*
14 *demands placed on educational, social, or public safe-*
15 *ty services or infrastructure related to service due to*
16 *the presence in Guam, Hawaii, the Commonwealth of*
17 *the Northern Mariana Islands, and American Samoa*
18 *of qualified nonimmigrants from the Federated States*
19 *of Micronesia, the Republic of the Marshall Islands,*
20 *and the Republic of Palau.*

21 *(f) FOREIGN LOANS.—Congress hereby reaffirms the*
22 *United States position that the United States Government*
23 *is not responsible for foreign loans or debt obtained by the*
24 *Governments of the Federated States of Micronesia and the*
25 *Republic of the Marshall Islands.*

1 (g) *SENSE OF CONGRESS CONCERNING FUNDING OF*
2 *PUBLIC INFRASTRUCTURE.*—*It is the sense of Congress that*
3 *not less than 30 percent of the United States annual grant*
4 *assistance provided under section 211 of the Compact of*
5 *Free Association, as amended, between the Government of*
6 *the United States of America and the Government of the*
7 *Federated States of Micronesia, and not less than 30 percent*
8 *of the total amount of section 211 funds allocated to each*
9 *of the States of the Federated States of Micronesia, shall*
10 *be invested in infrastructure improvements and mainte-*
11 *nance in accordance with section 211(a)(6). It is further*
12 *the sense of Congress that not less than 30 percent of the*
13 *United States annual grant assistance provided under sec-*
14 *tion 211 of the Compact of Free Association, as amended,*
15 *between the Government of the United States of America*
16 *and the Government of the Republic of the Marshall Islands,*
17 *shall be invested in infrastructure improvements and main-*
18 *tenance in accordance with section 211(d).*

19 (h) *REPORTS AND REVIEWS.*—

20 (1) *REPORT BY THE PRESIDENT.*—*Not later than*
21 *the end of the first full calendar year following enact-*
22 *ment of this resolution, and not later than December*
23 *31 of each year thereafter, the President shall report*
24 *to Congress regarding the Federated States of Micro-*

1 *nesia and the Republic of the Marshall Islands, in-*
2 *cluding but not limited to—*

3 *(A) general social, political, and economic*
4 *conditions, including estimates of economic*
5 *growth, per capita income, and migration rates;*

6 *(B) the use and effectiveness of United*
7 *States financial, program, and technical assist-*
8 *ance;*

9 *(C) the status of economic policy reforms*
10 *including but not limited to progress toward es-*
11 *tablishing self-sufficient tax rates;*

12 *(D) the status of the efforts to increase in-*
13 *vestment including: the rate of infrastructure in-*
14 *vestment of U.S. financial assistance under the*
15 *U.S.-FSM Compact and the U.S.-RMI Compact;*
16 *non-U.S. contributions to the trust funds, and*
17 *the level of private investment; and*

18 *(E) recommendations on ways to increase*
19 *the effectiveness of United States assistance and*
20 *to meet overall economic performance objectives,*
21 *including, if appropriate, recommendations to*
22 *Congress to adjust the inflation rate or to adjust*
23 *the contributions to the Trust Funds based on*
24 *non-U.S. contributions.*

1 (2) *REVIEW.*—During the year of the fifth, tenth,
2 and fifteenth anniversaries of the date of enactment of
3 this resolution, the Government of the United States
4 shall review the terms of the respective Compacts and
5 consider the overall nature and development of the
6 U.S.-FSM and U.S.-RMI relationships including the
7 topics set forth in subparagraphs (A) through (E) of
8 paragraph (1). In conducting the reviews, the Govern-
9 ment of the United States shall consider the operating
10 requirements of the Government of the Federated
11 States of Micronesia and the Government of the Re-
12 public of the Marshall Islands and their progress in
13 meeting the development objectives set forth in their
14 respective development plans. The President shall in-
15 clude in the annual reports to Congress for the years
16 following the reviews the comments of the Government
17 of the Federated States of Micronesia and the Govern-
18 ment of the Republic of the Marshall Islands on the
19 topics described in this paragraph, the President’s re-
20 sponse to the comments, the findings resulting from
21 the reviews, and any recommendations for actions to
22 respond to such findings.

23 (3) *BY THE COMPTROLLER GENERAL.*—Not later
24 than the date that is three years after the date of en-
25 actment of this joint resolution, and every 5 years

1 *thereafter, the Comptroller General of the United*
2 *States shall submit to Congress a report on the Fed-*
3 *erated States of Micronesia and the Republic of the*
4 *Marshall Islands including the topics set forth in*
5 *paragraphs (1) (A) through (E) above, and on the ef-*
6 *fectiveness of administrative oversight by the United*
7 *States.*

8 *(i) CONSTRUCTION OF SECTION 141(f).—Section*
9 *141(f)(2) of the Compact of Free Association, as amended,*
10 *between the Government of the United States of America*
11 *and the Government of the Federated States of Micronesia*
12 *and of the Compact of Free Association, as amended, be-*
13 *tween the Government of the United States of America and*
14 *the Government of the Republic of the Marshall Islands,*
15 *shall be construed as though, after “may by regulations pre-*
16 *scribe”, there were included the following: “, except that any*
17 *such regulations that would have a significant effect on the*
18 *admission, stay and employment privileges provided under*
19 *this section shall not become effective until 90 days after*
20 *the date of transmission of the regulations to the Committee*
21 *on Energy and Natural Resources and the Committee on*
22 *the Judiciary of the Senate and the Committee on Re-*
23 *sources, the Committee on International Relations, and the*
24 *Committee on the Judiciary of the House of Representa-*
25 *tives”.*

1 (j) *INFLATION ADJUSTMENT.—As of Fiscal Year 2015,*
2 *if the United States Gross Domestic Product Implicit Price*
3 *Deflator average for Fiscal Years 2009 through 2013 is*
4 *greater than United States Gross Domestic Product Im-*
5 *PLICIT PRICE Deflator average for Fiscal Years 2004 through*
6 *2008 (as reported in the Survey of Current Business or sub-*
7 *sequent publication and compiled by the Department of In-*
8 *terior), then section 217 of the U.S.-FSM Compact, para-*
9 *graph 5 of Article II of the U.S.-FSM Fiscal Procedures*
10 *Agreement, section 218 of the U.S.-RMI Compact, and*
11 *paragraph 5 of Article II of the U.S.-RMI Fiscal Procedures*
12 *Agreement shall be construed as if “the full” appeared in*
13 *place of “two-thirds of the” each place those words appear.*
14 *If an inflation adjustment is made under this subsection,*
15 *the base year for calculating the inflation adjustment shall*
16 *be fiscal year 2014.*

17 (k) *PARTICIPATION BY SECONDARY SCHOOLS IN THE*
18 *ARMED SERVICES VOCATIONAL APTITUDE BATTERY*
19 *(ASVAB) STUDENT TESTING PROGRAM.—In furtherance of*
20 *the provisions of Title Three, Article IV, Section 341 of the*
21 *U.S.-FSM and the U.S.-RMI Compacts, the purpose of*
22 *which is to establish the privilege to volunteer for service*
23 *in the U.S. Armed Forces, it is the sense of Congress that,*
24 *to facilitate eligibility of FSM and RMI secondary school*
25 *students to qualify for such service, the Department of De-*

1 *fense may extend the Armed Services Vocational Aptitude*
 2 *Battery (ASVAB) Student Testing Program (STP) and the*
 3 *ASVAB Career Exploration Program to selected secondary*
 4 *Schools in the FSM and the RMI to the extent such pro-*
 5 *grams are available to Department of Defense Dependent*
 6 *Schools located in foreign jurisdictions.*

7 **SEC. 105. SUPPLEMENTAL PROVISIONS.**

8 (a) *DOMESTIC PROGRAM REQUIREMENTS.*—*Except as*
 9 *may otherwise be provided in this joint resolution, all*
 10 *United States Federal programs and services extended to*
 11 *or operated in the Federated States of Micronesia or the*
 12 *Republic of the Marshall Islands are and shall remain sub-*
 13 *ject to all applicable criteria, standards, reporting require-*
 14 *ments, auditing procedures, and other rules and regulations*
 15 *applicable to such programs when operating in the United*
 16 *States (including its territories and commonwealths).*

17 (b) *RELATIONS WITH THE FEDERATED STATES OF*
 18 *MICRONESIA AND THE REPUBLIC OF THE MARSHALL IS-*
 19 *LANDS.*—

20 (1) *Appropriations made pursuant to Article I*
 21 *of Title Two and subsection (a)(2) of section 221 of*
 22 *article II of Title Two of the U.S.-FSM Compact and*
 23 *the U.S.-RMI Compact shall be made to the Secretary*
 24 *of the Interior, who shall have the authority necessary*
 25 *to fulfill his responsibilities for monitoring and man-*

1 aging the funds so appropriated consistent with the
2 U.S.-FSM Compact and the U.S.-RMI Compact, in-
3 cluding the agreements referred to in section 462(b)(4)
4 of the U.S.-FSM Compact and U.S.-RMI Compact
5 (relating to Fiscal Procedures) and the agreements re-
6 ferred to in section 462(b)(5) of the U.S.-FSM Com-
7 pact and the U.S.-RMI Compact (regarding the Trust
8 Fund).

9 (2) Appropriations made pursuant to subsections
10 (a)(1) and (a)(3) through (6) of section 221 of Article
11 II of Title Two of the U.S.-FSM Compact and sub-
12 section (a)(1) and (a)(3) through (5) of the U.S.-RMI
13 Compact shall be made directly to the agencies named
14 in those subsections.

15 (3) Appropriations for services and programs re-
16 ferred to in subsection (b) of section 221 of Article II
17 of Title Two of the U.S.-FSM Compact or U.S.-RMI
18 Compact and appropriations for services and pro-
19 grams referred to in sections 105(f) and 108(a) of this
20 joint resolution shall be made to the relevant agencies
21 in accordance with the terms of the appropriations
22 for such services and programs.

23 (4) Federal agencies providing programs and
24 services to the Federated States of Micronesia and the
25 Republic of the Marshall Islands shall coordinate with

1 *the Secretaries of the Interior and State regarding*
2 *provision of such programs and services. The Secre-*
3 *taries of the Interior and State shall consult with ap-*
4 *propriate officials of the Asian Development Bank*
5 *and with the Secretary of the Treasury regarding*
6 *overall economic conditions in the Federated States of*
7 *Micronesia and the Republic of the Marshall Islands*
8 *and regarding the activities of other donors of assist-*
9 *ance to the Federated States of Micronesia and the*
10 *Republic of the Marshall Islands.*

11 *(5) United States Government employees in ei-*
12 *ther the Federated States of Micronesia or the Repub-*
13 *lic of the Marshall Islands are subject to the authority*
14 *of the United States Chief of Mission, including as*
15 *elaborated in section 207 of the Foreign Service Act*
16 *and the President's Letter of Instruction to the United*
17 *States Chief of Mission and any order or directive of*
18 *the President in effect from time to time.*

19 *(6) INTERAGENCY GROUP ON FREELY ASSOCI-*
20 *ATED STATES' AFFAIRS.—*

21 *(A) IN GENERAL.—The President is hereby*
22 *authorized to appoint an Interagency Group on*
23 *Freely Associated States' Affairs to provide pol-*
24 *icy guidance and recommendations on imple-*
25 *mentation of the U.S.-FSM Compact and the*

1 *U.S.-RMI Compact to Federal departments and*
 2 *agencies.*

3 *(B) SECRETARIES.—It is the sense of Con-*
 4 *gress that the Secretary of State and the Sec-*
 5 *retary of the Interior shall be represented on the*
 6 *Interagency Group.*

7 *(7) UNITED STATES APPOINTEES TO JOINT COM-*
 8 *MITTEES.—*

9 *(A) JOINT ECONOMIC MANAGEMENT COM-*
 10 *MITTEE.—*

11 *(i) IN GENERAL.—The three United*
 12 *States appointees (United States chair plus*
 13 *two members) to the Joint Economic Man-*
 14 *agement Committee provided for in section*
 15 *213 of the U.S.-FSM Compact and Article*
 16 *III of the U.S.-FSM Fiscal Procedures*
 17 *Agreement referred to in section 462(b)(4) of*
 18 *the U.S.-FSM Compact shall be United*
 19 *States Government officers or employees.*

20 *(ii) DEPARTMENTS.—It is the sense of*
 21 *Congress that 2 of the 3 appointees should*
 22 *be designated from the Department of State*
 23 *and the Department of the Interior, and*
 24 *that U.S. officials of the Asian Development*
 25 *Bank shall be consulted in order to properly*

1 *coordinate U.S. and Asian Development*
2 *Bank financial, program, and technical as-*
3 *sistance.*

4 *(iii) ADDITIONAL SCOPE.—Section 213*
5 *of the U.S.-FSM Compact shall be construed*
6 *to read as though the phrase, “the imple-*
7 *mentation of economic policy reforms to en-*
8 *courage investment and to achieve self-suffi-*
9 *cient tax rates,” were inserted after “with*
10 *particular focus on those parts of the plan*
11 *dealing with the sectors identified in sub-*
12 *section (a) of section 211”.*

13 *(B) JOINT ECONOMIC MANAGEMENT AND FI-*
14 *NANCIAL ACCOUNTABILITY COMMITTEE.—*

15 *(i) IN GENERAL.—The three United*
16 *States appointees (United States chair plus*
17 *two members) to the Joint Economic Man-*
18 *agement and Financial Accountability*
19 *Committee provided for in section 214 of*
20 *the U.S.-RMI Compact and Article III of*
21 *the U.S.-RMI Fiscal Procedures Agreement*
22 *referred to in section 462(b)(4) of the U.S.-*
23 *RMI Compact shall be United States Gov-*
24 *ernment officers or employees.*

1 (ii) *DEPARTMENTS.*—*It is the sense of*
2 *Congress that 2 of the 3 appointees should*
3 *be designated from the Department of State*
4 *and the Department of the Interior, and*
5 *that U.S. officials of the Asian Development*
6 *Bank shall be consulted in order to properly*
7 *coordinate U.S. and Asian Development*
8 *Bank financial, program, and technical as-*
9 *sistance.*

10 (iii) *ADDITIONAL SCOPE.*—*Section 214*
11 *of the U.S.-RMI Compact shall be construed*
12 *to read as though the phrase, “the imple-*
13 *mentation of economic policy reforms to en-*
14 *courage investment and to achieve self-suffi-*
15 *cient tax rates,” were inserted after “with*
16 *particular focus on those parts of the frame-*
17 *work dealing with the sectors and areas*
18 *identified in subsection (a) of section 211”.*

19 (8) *OVERSIGHT AND COORDINATION.*—*It is the*
20 *sense of Congress that the Secretary of State and the*
21 *Secretary of the Interior shall ensure that there are*
22 *personnel resources committed in the appropriate*
23 *numbers and locations to ensure effective oversight of*
24 *United States assistance, and effective coordination of*
25 *assistance among United States agencies and with*

1 *other international donors such as the Asian Develop-*
2 *ment Bank.*

3 *(9) The United States voting members (United*
4 *States chair plus two or more members) of the Trust*
5 *Fund Committee appointed by the Government of the*
6 *United States pursuant to Article 7 of the Trust*
7 *Fund Agreement implementing section 215 of the*
8 *U.S.-FSM Compact and referred to in section*
9 *462(b)(5) of the U.S.-FSM Compact and any alter-*
10 *nates designated by the Government of the United*
11 *States shall be United States Government officers or*
12 *employees. The United States voting members (United*
13 *States chair plus two or more members) of the Trust*
14 *Fund Committee appointed by the Government of the*
15 *United States pursuant to Article 7 of the Trust*
16 *Fund Agreement implementing section 216 of the*
17 *U.S.-RMI Compact and referred to in section*
18 *462(b)(5) of the U.S.-RMI Compact and any alter-*
19 *nates designated by the Government of the United*
20 *States shall be United States Government officers or*
21 *employees. It is the sense of Congress that the ap-*
22 *pointees should be designated from the Department of*
23 *State, the Department of the Interior, and the De-*
24 *partment of the Treasury.*

1 (10) *The Trust Fund Committee provided for in*
2 *Article 7 of the U.S.-FSM Trust Fund Agreement im-*
3 *plementing section 215 of the U.S.-FSM Compact*
4 *shall be a nonprofit corporation incorporated under*
5 *the laws of the District of Columbia. To the extent*
6 *that any law, rule, regulation or ordinance of the*
7 *District of Columbia, or of any State or political sub-*
8 *division thereof in which the Trust Fund Committee*
9 *is incorporated or doing business, impedes or other-*
10 *wise interferes with the performance of the functions*
11 *of the Trust Fund Committee pursuant to this joint*
12 *resolution, such law, rule, regulation, or ordinance*
13 *shall be deemed to be preempted by this joint resolu-*
14 *tion. The Trust Fund Committee provided for in Ar-*
15 *ticle 7 of the U.S.-RMI Trust Fund Agreement imple-*
16 *menting section 216 of the U.S.-RMI Compact shall*
17 *be a non-profit corporation incorporated under the*
18 *laws of the District of Columbia. To the extent that*
19 *any law, rule, regulation or ordinance of the District*
20 *of Columbia, or of any State or political subdivision*
21 *thereof in which the Trust Fund Committee is incor-*
22 *porated or doing business, impedes or otherwise inter-*
23 *feres with the performance of the functions of the*
24 *Trust Fund Committee pursuant to this joint resolu-*

1 *tion, such law, rule, regulation, or ordinance shall be*
2 *deemed to be preempted by this joint resolution.*

3 (c) *CONTINUING TRUST TERRITORY AUTHORIZA-*
4 *TION.—The authorization provided by the Act of June 30,*
5 *1954, as amended (68 Stat. 330) shall remain available*
6 *after the effective date of the Compact with respect to the*
7 *Federated States of Micronesia and the Republic of the Mar-*
8 *shall Islands for the following purposes:*

9 (1) *Prior to October 1, 1986, for any purpose*
10 *authorized by the Compact or the joint resolution of*
11 *January 14, 1986 (Public Law 99–239).*

12 (2) *Transition purposes, including but not lim-*
13 *ited to, completion of projects and fulfillment of com-*
14 *mitments or obligations; termination of the Trust*
15 *Territory Government and termination of the High*
16 *Court; health and education as a result of exceptional*
17 *circumstances; ex gratia contributions for the popu-*
18 *lations of Bikini, Enewetak, Rongelap, and Utrik;*
19 *and technical assistance and training in financial*
20 *management, program administration, and mainte-*
21 *nance of infrastructure.*

22 (d) *SURVIVABILITY.—In furtherance of the provisions*
23 *of Title Four, Article V, sections 452 and 453 of the U.S.-*
24 *FSM Compact and the U.S.-RMI Compact, any provisions*
25 *of the U.S.-FSM Compact or the U.S.-RMI Compact which*

1 *remain effective after the termination of the U.S.-FSM*
2 *Compact or U.S.-RMI Compact by the act of any party*
3 *thereto and which are affected in any manner by provisions*
4 *of this title shall remain subject to such provisions.*

5 *(e) NONCOMPLIANCE SANCTIONS; ACTIONS INCOMPAT-*
6 *IBLE WITH UNITED STATES AUTHORITY.—Congress ex-*
7 *presses its understanding that the Governments of the Fed-*
8 *erated States of Micronesia and the Republic of the Mar-*
9 *shall Islands will not act in a manner incompatible with*
10 *the authority and responsibility of the United States for*
11 *security and defense matters in or related to the Federated*
12 *States of Micronesia or the Republic of the Marshall Islands*
13 *pursuant to the U.S.-FSM Compact or the U.S.-RMI Com-*
14 *pact, including the agreements referred to in sections*
15 *462(a)(2) of the U.S.-FSM Compact and 462(a)(5) of the*
16 *U.S.-RMI Compact. Congress further expresses its intention*
17 *that any such act on the part of either such Government*
18 *will be viewed by the United States as a material breach*
19 *of the U.S.-FSM Compact or U.S.-RMI Compact. The Gov-*
20 *ernment of the United States reserves the right in the event*
21 *of such a material breach of the U.S.-FSM Compact by the*
22 *Government of the Federated States of Micronesia or the*
23 *U.S.-RMI Compact by the Government of the Republic of*
24 *the Marshall Islands to take action, including (but not lim-*

1 *ited to) the suspension in whole or in part of the obligations*
 2 *of the Government of the United States to that Government.*

3 *(f) CONTINUING PROGRAMS AND LAWS.—*

4 *(1) FEDERATED STATES OF MICRONESIA AND RE-*
 5 *PUBLIC OF THE MARSHALL ISLANDS.—In addition to*
 6 *the programs and services set forth in section 221 of*
 7 *the Compact, and pursuant to section 222 of the Com-*
 8 *compact, the programs and services of the following agen-*
 9 *cies shall be made available to the Federated States*
 10 *of Micronesia and to the Republic of the Marshall Is-*
 11 *lands:*

12 *(A) CONTINUATION OF THE PROGRAMS AND*
 13 *SERVICES OF THE FEDERAL EMERGENCY MAN-*
 14 *AGEMENT AGENCY.—Except as provided in*
 15 *clauses (ii) and (iii), the programs and services*
 16 *of the Department of Homeland Security, Fed-*
 17 *eral Emergency Management Agency shall con-*
 18 *tinue to be available to the Federated States of*
 19 *Micronesia and the Republic of the Marshall Is-*
 20 *lands to the same extent as such programs and*
 21 *services were available in fiscal year 2003.*

22 *(i) Paragraph (a)(6) of section 221 of*
 23 *the U.S.-FSM Compact and paragraph*
 24 *(a)(5) of the U.S.-RMI Compact shall each*
 25 *be construed as though the paragraph reads*

1 *as follows: “the Department of Homeland*
2 *Security, United States Federal Emergency*
3 *Management Agency.”*

4 *(ii) Subsection (d) of section 211 of the*
5 *U.S.-FSM Compact and subsection (e) of*
6 *section 211 of the U.S.-RMI Compact shall*
7 *each be construed as though the subsection*
8 *reads as follows: “Not more than \$200,000*
9 *(as adjusted for inflation pursuant to sec-*
10 *tion 217 of the U.S.-FSM Compact and sec-*
11 *tion 218 of the U.S.-RMI Compact) shall be*
12 *made available by the Secretary of the Inte-*
13 *rior to the Department of Homeland Secu-*
14 *rity, Federal Emergency Management Agen-*
15 *cy to facilitate the activities of the Federal*
16 *Emergency Management Agency in accord-*
17 *ance with and to the extent provided in the*
18 *Federal Programs and Services Agreement.”*

19 *(iii) The Secretary of State, in con-*
20 *sultation with the Department of Homeland*
21 *Security and the Federal Emergency Man-*
22 *agement Agency, shall immediately under-*
23 *take negotiations with the Government of*
24 *the Federated States of Micronesia and the*
25 *Government of the Republic of the Marshall*

1 *Islands regarding disaster assistance and*
2 *shall report to the appropriate committees*
3 *of Congress no later than June 30, 2004, on*
4 *the outcome of such negotiations, including*
5 *recommendations for changes to law regard-*
6 *ing disaster assistance under the U.S.-FSM*
7 *Compact and the U.S.-RMI Compact, and*
8 *including subsidiary agreements as needed*
9 *to implement such changes to law. If an*
10 *agreement is not concluded, and legislation*
11 *enacted which reflects such agreement, before*
12 *the date which is five years after the date*
13 *of enactment of this Joint Resolution, the*
14 *following provisions shall apply:*

15 *“Paragraph (a)(6) of section 221 of the*
16 *U.S.- FSM Compact and paragraph (a)(5)*
17 *of section 221 of the U.S.-RMI Compact*
18 *shall each be construed and applied as if*
19 *each provision reads as follows:*

20 *“The U.S. Agency for International*
21 *Development shall be responsible for the*
22 *provision of emergency and disaster relief*
23 *assistance in accordance with its statutory*
24 *authorities, regulations and policies. The*
25 *Republic of the Marshall Islands and the*

1 *Federated States of Micronesia may addi-*
2 *tionally request that the President make an*
3 *emergency or major disaster declaration. If*
4 *the President declares an emergency or*
5 *major disaster, the Department of Home-*
6 *land Security (DHS), the Federal Emer-*
7 *gency Management Agency (FEMA) and the*
8 *U.S. Agency for International Development*
9 *shall jointly (a) assess the damage caused*
10 *by the emergency or disaster and (b) pre-*
11 *pare a reconstruction plan including an es-*
12 *timate of the total amount of Federal re-*
13 *sources that are needed for reconstruction.*
14 *Pursuant to an interagency agreement,*
15 *FEMA shall transfer funds from the Dis-*
16 *aster Relief Fund in the amount of the esti-*
17 *mate, together with an amount to be deter-*
18 *mined for administrative expenses, to the*
19 *U.S. Agency for International Development,*
20 *which shall carry out reconstruction activi-*
21 *ties in the Republic of the Marshall Islands*
22 *and the Federated States of Micronesia in*
23 *accordance with the reconstruction plan.*
24 *For purposes of Disaster Relief Fund ap-*
25 *propriations, the funding of the activities to*

1 *be carried out pursuant to this paragraph*
2 *shall be deemed to be necessary expenses in*
3 *carrying out the Robert T. Stafford Disaster*
4 *Relief and Emergency Assistance Act (42*
5 *U.S.C. 5121 et seq).*

6 *“DHS may provide to the Republic of*
7 *the Marshall Islands and the Federated*
8 *States of Micronesia preparedness grants to*
9 *the extent that such assistance is available*
10 *to the States of the United States. Funding*
11 *for this assistance may be made available*
12 *from appropriations made to DHS for pre-*
13 *paredness activities.”.*

14 *(B) TREATMENT OF ADDITIONAL PRO-*
15 *GRAMS.—*

16 *(i) CONSULTATION.—The United*
17 *States appointees to the committees estab-*
18 *lished pursuant to section 213 of the U.S.-*
19 *FSM Compact and section 214 of the U.S.-*
20 *RMI Compact shall consult with the Sec-*
21 *retary of Education regarding the objectives,*
22 *use, and monitoring of United States finan-*
23 *cial, program, and technical assistance*
24 *made available for educational purposes.*

1 (ii) CONTINUING PROGRAMS.—The
2 Government of the United States—

3 (I) shall continue to make avail-
4 able to the Federated States of Micro-
5 nesia and the Republic of the Marshall
6 Islands for fiscal years 2004 through
7 2023, the services to individuals eligi-
8 ble for such services under the Individ-
9 uals with Disabilities Education Act
10 (20 U.S.C. 1400 et seq.) to the extent
11 that such services continue to be avail-
12 able to individuals in the United
13 States; and

14 (II) shall continue to make avail-
15 able to eligible institutions in the Fed-
16 erated States of Micronesia and the
17 Republic of the Marshall Islands, and
18 to students enrolled in such institu-
19 tions, and in institutions in the
20 United States and its territories, for
21 fiscal years 2004 through 2023, grants
22 under subpart 1 of part A of title IV
23 of the Higher Education Act of 1965
24 (20 U.S.C. 1070a et seq.) to the extent
25 that such grants continue to be avail-

1 *able to institutions and students in the*
2 *United States.*

3 (iii) *SUPPLEMENTAL EDUCATION*
4 *GRANTS.—In lieu of eligibility for appro-*
5 *priations under part A of title I of the Ele-*
6 *mentary and Secondary Education Act of*
7 *1965 (20 U.S.C. 6311 et seq.), title I of the*
8 *Workforce Investment Act of 1998 (29*
9 *U.S.C. 2801 et seq.), other than subtitle C*
10 *of that Act (29 U.S.C. 2881 et seq.) (Job*
11 *Corps), title II of the Workforce Investment*
12 *Act of 1998 (20 U.S.C. 9201 et seq.; com-*
13 *monly known as the Adult Education and*
14 *Family Literacy Act), title I of the Carl D.*
15 *Perkins Vocational and Technical Edu-*
16 *cation Act of 1998 (20 U.S.C. 2321 et seq.),*
17 *the Head Start Act (42 U.S.C. 9831 et seq.),*
18 *and subpart 3 of part A, and part C, of*
19 *title IV of the Higher Education Act of*
20 *1965 (20 U.S.C. 1070b et seq., 42 U.S.C.*
21 *2751 et seq.), there are authorized to be ap-*
22 *propriated to the Secretary of Education to*
23 *supplement the education grants under sec-*
24 *tion 211(a)(1) of the U.S.-FSM Compact*

1 *and section 211(a)(1) of the U.S.-RMI Com-*
2 *pact, respectively, the following amounts:*

3 *(I) \$12,230,000 for the Federated*
4 *States of Micronesia for fiscal year*
5 *2005 and an equivalent amount, as*
6 *adjusted for inflation under section*
7 *217 of the U.S.-FSM Compact, for each*
8 *of fiscal years 2005 through 2023; and*

9 *(II) \$6,100,000 for the Republic of*
10 *the Marshall Islands for fiscal year*
11 *2005 and an equivalent amount, as*
12 *adjusted for inflation under section*
13 *218 of the U.S.-RMI Compact, for each*
14 *of fiscal years 2005 through 2023,*

15 *except that citizens of the Federated States*
16 *of Micronesia and the Republic of the Mar-*
17 *shall Islands who attend an institution of*
18 *higher education in the United States or its*
19 *territories, the Federated States of Micro-*
20 *nesia, or the Republic of the Marshall Is-*
21 *lands on the date of enactment of this joint*
22 *resolution may continue to receive assist-*
23 *ance under such subpart 3 of part A or part*
24 *C, for not more than 4 academic years after*

1 *such date to enable such citizens to complete*
2 *their program of study.*

3 *(iv) FISCAL PROCEDURES.—Appropriations made pursuant to clause (iii)*
4 *shall be used and monitored in accordance*
5 *with an agreement between the Secretary of*
6 *Education, the Secretary of Labor, the Sec-*
7 *retary of Health and Human Services, and*
8 *the Secretary of the Interior, and in accord-*
9 *ance with the respective Fiscal Procedures*
10 *Agreements referred to in section 462(b)(4)*
11 *of the U.S.-FSM Compact and section*
12 *462(b)(4) of the U.S.-RMI Compact. The*
13 *agreement between the Secretary of Edu-*
14 *cation, the Secretary of Labor, the Secretary*
15 *of Health and Human Services, and the*
16 *Secretary of the Interior shall provide for*
17 *the transfer, not later than 60 days after the*
18 *appropriations made pursuant to clause*
19 *(iii) become available to the Secretary of*
20 *Education, the Secretary of Labor, and the*
21 *Secretary of Health and Human Services,*
22 *from the Secretary of Education, the Sec-*
23 *retary of Labor, and the Secretary of*
24

1 *Health and Human Services, to the Sec-*
2 *retary of the Interior for disbursement.*

3 (v) *FORMULA EDUCATION GRANTS.—*

4 *For fiscal years 2005 through 2023, except*
5 *as provided in clause (ii) and the exception*
6 *provided under clause (iii), the Govern-*
7 *ments of the Federated States of Micronesia*
8 *and the Republic of the Marshall Islands*
9 *shall not receive any grant under any for-*
10 *mula-grant program administered by the*
11 *Secretary of Education or the Secretary of*
12 *Labor, nor any grant provided through the*
13 *Head Start Act (42 U.S.C. 9831 et seq.) ad-*
14 *ministered by the Secretary of Health and*
15 *Human Services.*

16 (vi) *TRANSITION.—For fiscal year*

17 *2004, the Governments of the Federated*
18 *States of Micronesia and the Republic of the*
19 *Marshall Islands shall continue to be eligi-*
20 *ble for appropriations and to receive grants*
21 *under the provisions of law specified in*
22 *clauses (ii) and (iii).*

23 (vii) *TECHNICAL ASSISTANCE.—The*

24 *Federated States of Micronesia and the Re-*
25 *public of the Marshall Islands may request*

1 *technical assistance from the Secretary of*
2 *Education, the Secretary of Health and*
3 *Human Services, or the Secretary of Labor*
4 *the terms of which, including reimburse-*
5 *ment, shall be negotiated with the partici-*
6 *ipation of the appropriate cabinet officer for*
7 *inclusion in the Federal Programs and*
8 *Services Agreement.*

9 *(viii) CONTINUED ELIGIBILITY FOR*
10 *COMPETITIVE GRANTS.—The Governments of*
11 *the Federated States of Micronesia and the*
12 *Republic of the Marshall Islands shall con-*
13 *tinue to be eligible for competitive grants*
14 *administered by the Secretary of Education,*
15 *the Secretary of Health and Human Serv-*
16 *ices, and the Secretary of Labor to the ex-*
17 *tent that such grants continue to be avail-*
18 *able to State and local governments in the*
19 *United States.*

20 *(ix) APPLICABILITY.—The Republic of*
21 *Palau shall remain eligible for appropria-*
22 *tions and to receive grants under the provi-*
23 *sions of law specified in clauses (ii) and*
24 *(iii) until the end of fiscal year 2007, to the*

1 *extent the Republic of Palau was so eligible*
2 *under such provisions in fiscal year 2003.*

3 *(C) The Legal Services Corporation.*

4 *(D) The Public Health Service.*

5 *(E) The Rural Housing Service (formerly,*
6 *the Farmers Home Administration) in the Mar-*
7 *shall Islands and each of the four States of the*
8 *Federated States of Micronesia: Provided, That*
9 *in lieu of continuation of the program in the*
10 *Federated States of Micronesia, the President*
11 *may agree to transfer to the Government of the*
12 *Federated States of Micronesia without cost, the*
13 *portfolio of the Rural Housing Service applicable*
14 *to the Federated States of Micronesia and pro-*
15 *vide such technical assistance in management of*
16 *the portfolio as may be requested by the Fed-*
17 *erated States of Micronesia).*

18 (2) *TORT CLAIMS.—The provisions of section 178*
19 *of the U.S.-FSM Compact and the U.S.-RMI Compact*
20 *regarding settlement and payment of tort claims shall*
21 *apply to employees of any Federal agency of the Gov-*
22 *ernment of the United States (and to any other per-*
23 *son employed on behalf of any Federal agency of the*
24 *Government of the United States on the basis of a*
25 *contractual, cooperative, or similar agreement) which*

1 *provides any service or carries out any other function*
2 *pursuant to or in furtherance of any provisions of the*
3 *U.S.-FSM Compact or the U.S.-RMI Compact or this*
4 *joint resolution, except for provisions of Title Three of*
5 *the Compact and of the subsidiary agreements related*
6 *to such Title, in such area to which such Agreement*
7 *formerly applied.*

8 (3) *PCB CLEANUP.—The programs and services*
9 *of the Environmental Protection Agency regarding*
10 *PCBs shall, to the extent applicable, as appropriate,*
11 *and in accordance with applicable law, be construed*
12 *to be made available to such islands for the cleanup*
13 *of PCBs imported prior to 1987. The Secretary of the*
14 *Interior and the Secretary of Defense shall cooperate*
15 *and assist in any such cleanup activities.*

16 (g) *COLLEGE OF MICRONESIA.—Until otherwise pro-*
17 *vided by Act of Congress, or until termination of the U.S.-*
18 *FSM Compact and the U.S.-RMI Compact, the College of*
19 *Micronesia shall retain its status as a land-grant institu-*
20 *tion and its eligibility for all benefits and programs avail-*
21 *able to such land-grant institutions.*

22 (h) *TRUST TERRITORY DEBTS TO U.S. FEDERAL*
23 *AGENCIES.—Neither the Government of the Federated*
24 *States of Micronesia nor the Government of the Marshall*
25 *Islands shall be required to pay to any department, agency,*

1 *independent agency, office, or instrumentality of the United*
2 *States any amounts owed to such department, agency, inde-*
3 *pendent agency, office, or instrumentality by the Govern-*
4 *ment of the Trust Territory of the Pacific Islands as of the*
5 *effective date of the Compact. There is authorized to be ap-*
6 *propriated such sums as may be necessary to carry out the*
7 *purposes of this subsection.*

8 (i) *JUDICIAL TRAINING.—*

9 (1) *IN GENERAL.—In addition to amounts pro-*
10 *vided under section 211(a)(4) of the U.S.-FSM Com-*
11 *pact and the U.S.-RMI Compact, the Secretary of the*
12 *Interior shall annually provide \$300,000 for the*
13 *training of judges and officials of the judiciary in the*
14 *Federated States of Micronesia and the Republic of*
15 *the Marshall Islands in cooperation with the Pacific*
16 *Islands Committee of the Ninth Circuit Judicial*
17 *Council and in accordance with and to the extent*
18 *provided in the Federal Programs and Services Agree-*
19 *ment and the Fiscal Procedure Agreement, as appro-*
20 *priate.*

21 (2) *AUTHORIZATION AND CONTINUING APPRO-*
22 *PRIATION.—There is hereby authorized and appro-*
23 *propriated to the Secretary of the Interior, out of any*
24 *funds in the Treasury not otherwise appropriated, to*
25 *remain available until expended, for each fiscal year*

1 *from 2004 through 2023, \$300,000, as adjusted for in-*
2 *flation under section 218 of the U.S.-FSM Compact*
3 *and the U.S.-RMI Compact, to carry out the purposes*
4 *of this section.*

5 (j) *TECHNICAL ASSISTANCE.—Technical assistance*
6 *may be provided pursuant to section 224 of the U.S.-FSM*
7 *Compact or the U.S.-RMI Compact by Federal agencies and*
8 *institutions of the Government of the United States to the*
9 *extent such assistance may be provided to States, territories,*
10 *or units of local government. Such assistance by the Forest*
11 *Service, the Natural Resources Conservation Service, the*
12 *Fish and Wildlife Service, the National Marine Fisheries*
13 *Service, the United States Coast Guard, and the Advisory*
14 *Council on Historic Preservation, the Department of the In-*
15 *terior, and other agencies providing assistance under the*
16 *National Historic Preservation Act (80 Stat. 915; 16 U.S.C.*
17 *470–470t), shall be on a nonreimbursable basis. During the*
18 *period the U.S.-FSM Compact and the U.S.-RMI Compact*
19 *are in effect, the grant programs under the National His-*
20 *toric Preservation Act shall continue to apply to the Fed-*
21 *erated States of Micronesia and the Republic of the Mar-*
22 *shall Islands in the same manner and to the same extent*
23 *as prior to the approval of the Compact. Any funds pro-*
24 *vided pursuant to sections 102(a), 103(a), 103(b), 103(f),*
25 *103(g), 103(h), 103(j), 105(c), 105(g), 105(h), 105(i),*

1 105(j), 105(k), 105(l), and 105(m) of this joint resolution
2 shall be in addition to and not charged against any
3 amounts to be paid to either the Federated States of Micro-
4 nesia or the Republic of the Marshall Islands pursuant to
5 the U.S.-FSM Compact, the U.S.-RMI Compact, or their
6 related subsidiary agreements.

7 (k) *PRIOR SERVICE BENEFITS PROGRAM.*—Notwith-
8 standing any other provision of law, persons who on Janu-
9 ary 1, 1985, were eligible to receive payment under the
10 Prior Service Benefits Program established within the So-
11 cial Security System of the Trust Territory of the Pacific
12 Islands because of their services performed for the United
13 States Navy or the Government of the Trust Territory of
14 the Pacific Islands prior to July 1, 1968, shall continue
15 to receive such payments on and after the effective date of
16 the Compact.

17 (l) *INDEFINITE LAND USE PAYMENTS.*—There are au-
18 thorized to be appropriated such sums as may be necessary
19 to complete repayment by the United States of any debts
20 owed for the use of various lands in the Federated States
21 of Micronesia and the Marshall Islands prior to January
22 1, 1985.

23 (m) *COMMUNICABLE DISEASE CONTROL PROGRAM.*—
24 There are authorized to be appropriated for grants to the
25 Government of the Federated States of Micronesia, the Gov-

1 *ernment of the Republic of the Marshall Islands, and the*
2 *governments of the affected jurisdictions, such sums as may*
3 *be necessary for purposes of establishing or continuing pro-*
4 *grams for the control and prevention of communicable dis-*
5 *eases, including (but not limited to) cholera, tuberculosis,*
6 *and Hansen's Disease. The Secretary of the Interior shall*
7 *assist the Government of the Federated States of Micronesia,*
8 *the Government of the Republic of the Marshall Islands and*
9 *the governments of the affected jurisdictions in designing*
10 *and implementing such a program.*

11 *(n) USER FEES.—Any person in the Federated States*
12 *of Micronesia or the Republic of the Marshall Islands shall*
13 *be liable for user fees, if any, for services provided in the*
14 *Federated States of Micronesia or the Republic of the Mar-*
15 *shall Islands by the Government of the United States to the*
16 *same extent as any person in the United States would be*
17 *liable for fees, if any, for such services in the United States.*

18 *(o) TREATMENT OF JUDGMENTS OF COURTS OF THE*
19 *FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF*
20 *THE MARSHALL ISLANDS, AND THE REPUBLIC OF*
21 *PALAU.—No judgment, whenever issued, of a court of the*
22 *Federated States of Micronesia, the Republic of the Marshall*
23 *Islands, or the Republic of Palau, against the United*
24 *States, its departments and agencies, or officials of the*
25 *United States or any other individuals acting on behalf of*

1 *the United States within the scope of their official duty,*
 2 *shall be honored by the United States, or be subject to rec-*
 3 *ognition or enforcement in a court in the United States,*
 4 *unless the judgment is consistent with the interpretation by*
 5 *the United States of international agreements relevant to*
 6 *the judgment. In determining the consistency of a judgment*
 7 *with an international agreement, due regard shall be given*
 8 *to assurances made by the Executive Branch to Congress*
 9 *of the United States regarding the proper interpretation of*
 10 *the international agreement.*

11 (p) *ESTABLISHMENT OF TRUST FUNDS; EXPEDITION*
 12 *OF PROCESS.—*

13 (1) *IN GENERAL.—The Trust Fund Agreement*
 14 *executed pursuant to the U.S.-FSM Compact and the*
 15 *Trust Fund Agreement executed pursuant to the U.S.-*
 16 *RMI Compact each provides for the establishment of*
 17 *a trust fund.*

18 (2) *METHOD OF ESTABLISHMENT.—The trust*
 19 *fund may be established by—*

20 (A) *creating a new legal entity to constitute*
 21 *the trust fund; or*

22 (B) *assuming control of an existing legal*
 23 *entity including, without limitation, a trust*
 24 *fund or other legal entity that was established by*
 25 *or at the direction of the Government of the*

1 *United States, the Government of the Federated*
2 *States of Micronesia, the Government of the Re-*
3 *public of the Marshall Islands, or otherwise for*
4 *the purpose of facilitating or expediting the es-*
5 *tablishment of the trust fund pursuant to the ap-*
6 *plicable Trust Fund Agreement.*

7 (3) *OBLIGATIONS.—For the purpose of expe-*
8 *ditating the commencement of operations of a trust*
9 *fund under either Trust Fund Agreement, the trust*
10 *fund may, but shall not be obligated to, assume any*
11 *obligations of an existing legal entity and take assign-*
12 *ment of any contract or other agreement to which the*
13 *existing legal entity is party.*

14 (4) *ASSISTANCE.—Without limiting the author-*
15 *ity that the United States Government may otherwise*
16 *have under applicable law, the United States Govern-*
17 *ment may, but shall not be obligated to, provide fi-*
18 *nancial, technical, or other assistance directly or in-*
19 *directly to the Government of the Federated States of*
20 *Micronesia or the Government of the Republic of the*
21 *Marshall Islands for the purpose of establishing and*
22 *operating a trust fund or other legal entity that will*
23 *solicit bids from, and enter into contracts with, par-*
24 *ties willing to serve in such capacities as trustee, de-*
25 *positary, money manager, or investment advisor,*

1 *with the intention that the contracts will ultimately*
2 *be assumed by and assigned to a trust fund estab-*
3 *lished pursuant to a Trust Fund Agreement.*

4 **SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.**

5 (a) *ASSISTANCE TO U.S. FIRMS.*—*In order to assist*
6 *the Governments of the Federated States of Micronesia and*
7 *of the Republic of the Marshall Islands through private sec-*
8 *tor firms which may be awarded contracts for construction*
9 *or major repair of capital infrastructure within the Fed-*
10 *erated States of Micronesia or the Republic of the Marshall*
11 *Islands, the United States shall consult with the Govern-*
12 *ments of the Federated States of Micronesia and the Repub-*
13 *lic of the Marshall Islands with respect to any such con-*
14 *tracts, and the United States shall enter into agreements*
15 *with such firms whereby such firms will, consistent with*
16 *applicable requirements of such Governments—*

17 (1) *to the maximum extent possible, employ citi-*
18 *zens of the Federated States of Micronesia and the Re-*
19 *public of the Marshall Islands;*

20 (2) *to the extent that necessary skills are not pos-*
21 *essed by citizens of the Federated States of Micro-*
22 *nesia and the Republic of the Marshall Islands, pro-*
23 *vide on the job training, with particular emphasis on*
24 *the development of skills relating to operation of ma-*

1 *chinery and routine and preventative maintenance of*
2 *machinery and other facilities; and*

3 (3) *provide specific training or other assistance*
4 *in order to enable the Government to engage in long-*
5 *term maintenance of infrastructure.*

6 *Assistance by such firms pursuant to this section may not*
7 *exceed 20 percent of the amount of the contract and shall*
8 *be made available only to such firms which meet the defini-*
9 *tion of United States firm under the nationality rule for*
10 *suppliers of services of the Agency for International Devel-*
11 *opment (hereafter in this section referred to as “United*
12 *States firms”). There are authorized to be appropriated*
13 *such sums as may be necessary for the purposes of this sub-*
14 *section.*

15 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
16 *authorized to be appropriated such sums as may be nec-*
17 *essary to cover any additional costs incurred by the Govern-*
18 *ment of the Federated States of Micronesia or the Republic*
19 *of the Marshall Islands if such Governments, pursuant to*
20 *an agreement entered into with the United States, apply*
21 *a preference on the award of contracts to United States*
22 *firms, provided that the amount of such preference does not*
23 *exceed 10 percent of the amount of the lowest qualified bid*
24 *from a non-United States firm for such contract.*

1 **SEC. 107. PROHIBITION.**

2 *All laws governing conflicts of interest and post-em-*
 3 *ployment of Federal employees shall apply to the implemen-*
 4 *tation of this Act.*

5 **SEC. 108. COMPENSATORY ADJUSTMENTS.**

6 *(a) ADDITIONAL PROGRAMS AND SERVICES.—In addi-*
 7 *tion to the programs and services set forth in section 221*
 8 *of the U.S.-FSM Compact and the U.S.-RMI Compact, and*
 9 *pursuant to section 222 of the U.S.-FSM Compact and the*
 10 *U.S.-RMI Compact, the services and programs of the fol-*
 11 *lowing United States agencies shall be made available to*
 12 *the Federated States of Micronesia and the Republic of the*
 13 *Marshall Islands: the Small Business Administration, Eco-*
 14 *nomics Development Administration, the Rural Utilities*
 15 *Services (formerly Rural Electrification Administration);*
 16 *the programs and services of the Department of Labor*
 17 *under subtitle C of title I of the Workforce Investment Act*
 18 *of 1998 (29 U.S.C. 2881 et seq.; relating to Job Corps); and*
 19 *the programs and services of the Department of Commerce*
 20 *relating to tourism and to marine resource development.*

21 *(b) FURTHER AMOUNTS.—*

22 *(1) The joint resolution of January 14, 1986*
 23 *(Public Law 99–239) provided that the governments*
 24 *of the Federated States of Micronesia and the Mar-*
 25 *shall Islands may submit to Congress reports con-*
 26 *cerning the overall financial and economic impacts*

1 *on such areas resulting from the effect of title IV of*
2 *that joint resolution upon Title Two of the Compact.*
3 *There were authorized to be appropriated for fiscal*
4 *years beginning after September 30, 1990, such*
5 *amounts as necessary, but not to exceed \$40,000,000*
6 *for the Federated States of Micronesia and*
7 *\$20,000,000 for the Marshall Islands, as provided in*
8 *appropriation acts, to further compensate the govern-*
9 *ments of such islands (in addition to the compensa-*
10 *tion provided in subsections (a) and (b) of section 111*
11 *of the joint resolution of January 14, 1986 (Public*
12 *Law 99–239) for adverse impacts, if any, on the fi-*
13 *nances and economies of such areas resulting from the*
14 *effect of title IV of that joint resolution upon Title*
15 *Two of the Compact. The joint resolution of January*
16 *14, 1986 (Public Law 99–239) further provided that*
17 *at the end of the initial fifteen-year term of the Com-*
18 *pact, should any portion of the total amount of funds*
19 *authorized in section 111 of that resolution not have*
20 *been appropriated, such amount not yet appropriated*
21 *may be appropriated, without regard to divisions be-*
22 *tween amounts authorized in section 111 for the Fed-*
23 *erated States of Micronesia and for the Marshall Is-*
24 *lands, based on either or both such government's*

1 *showing of such adverse impact, if any, as provided*
2 *in that subsection.*

3 (2) *The governments of the Federated States of*
4 *Micronesia and the Republic of the Marshall Islands*
5 *may each submit no more than one report or request*
6 *for further compensation under section 111 of the*
7 *joint resolution of January 14, 1986 (Public Law 99–*
8 *239) and any such report or request must be sub-*
9 *mitted by September 30, 2009. Only adverse economic*
10 *effects occurring during the initial 15-year term of*
11 *the Compact may be considered for compensation*
12 *under section 111 of the joint resolution of January*
13 *14, 1986 (Public Law 99–239).*

14 **SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIA-**
15 **TION.**

16 (a) *There are authorized and appropriated to the De-*
17 *partment of the Interior, out of any funds in the Treasury*
18 *not otherwise appropriated, to remain available until ex-*
19 *pended, such sums as are necessary to carry out the pur-*
20 *poses of sections 105(f)(1) and 105(i) of this Act, sections*
21 *211, 212(b), 215, and 217 of the U.S.-FSM Compact, and*
22 *sections 211, 212, 213(b), 216, and 218 of the U.S.-RMI*
23 *Compact, in this and subsequent years.*

24 (b) *There are authorized to be appropriated to the De-*
25 *partments, agencies, and instrumentalities named in para-*

1 *graphs (1) and (3) through (6) of section 221(a) of the U.S.-*
 2 *FSM Compact and paragraphs (1) and (3) through (5) of*
 3 *section 221(a) of the U.S.-RMI Compact, such sums as are*
 4 *necessary to carry out the purposes of sections 221(a) of*
 5 *the U.S.-FSM Compact and the U.S.-RMI Compact, to re-*
 6 *main available until expended.*

7 **SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED**
 8 **STATES OF MICRONESIA, THE REPUBLIC OF**
 9 **THE MARSHALL ISLANDS, AND THE REPUBLIC**
 10 **OF PALAU EMPLOYED BY THE GOVERNMENT**
 11 **OF THE UNITED STATES IN THE CONTI-**
 12 **NENTAL UNITED STATES.**

13 *Section 605 of Public Law 107–67 (the Treasury and*
 14 *General Government Appropriations Act, 2002) is amended*
 15 *by striking “or the Republic of the Philippines,” in the last*
 16 *sentence and inserting the following: “the Republic of the*
 17 *Philippines, the Federated States of Micronesia, the Repub-*
 18 *lic of the Marshall Islands, or the Republic of Palau,”.*

1 **TITLE II—COMPACTS OF FREE**
 2 **ASSOCIATION WITH THE FED-**
 3 **ERATED STATES OF MICRO-**
 4 **NESIA AND THE REPUBLIC OF**
 5 **THE MARSHALL ISLANDS**

6 **SEC. 201. COMPACTS OF FREE ASSOCIATION, AS AMENDED**
 7 **BETWEEN THE GOVERNMENT OF THE UNITED**
 8 **STATES OF AMERICA AND THE GOVERNMENT**
 9 **OF THE FEDERATED STATES OF MICRONESIA**
 10 **AND BETWEEN THE GOVERNMENT OF THE**
 11 **UNITED STATES OF AMERICA AND THE GOV-**
 12 **ERNMENT OF THE REPUBLIC OF THE MAR-**
 13 **SHALL ISLANDS.**

14 *(a) COMPACT OF FREE ASSOCIATION, AS AMENDED,*
 15 *BETWEEN THE GOVERNMENT OF THE UNITED STATES OF*
 16 *AMERICA AND THE GOVERNMENT OF THE FEDERATED*
 17 *STATES OF MICRONESIA.—The Compact of Free Associa-*
 18 *tion, as amended, between the Government of the United*
 19 *States of America and the Government of the Federated*
 20 *States of Micronesia is as follows:*

1

*PREAMBLE*2 *THE GOVERNMENT OF THE UNITED STATES OF*3 *AMERICA AND THE GOVERNMENT OF THE*4 *FEDERATED STATES OF MICRONESIA*5 *Affirming that their Governments and their relation-*6 *ship as Governments are founded upon respect for human*7 *rights and fundamental freedoms for all, and that the people*8 *of the Federated States of Micronesia have the right to enjoy*9 *self-government; and*10 *Affirming the common interests of the United States*11 *of America and the Federated States of Micronesia in cre-*12 *ating and maintaining their close and mutually beneficial*13 *relationship through the free and voluntary association of*14 *their respective Governments; and*15 *Affirming the interest of the Government of the United*16 *States in promoting the economic advancement and budg-*17 *etary self-reliance of the Federated States of Micronesia;*18 *and*19 *Recognizing that their relationship until the entry into*20 *force on November 3, 1986 of the Compact was based upon*21 *the International Trusteeship System of the United Nations*22 *Charter, and in particular Article 76 of the Charter; and*23 *that pursuant to Article 76 of the Charter, the people of*24 *the Federated States of Micronesia have progressively devel-*25 *oped their institutions of self-government, and that in the*

1 *exercise of their sovereign right to self-determination they,*
2 *through their freely-expressed wishes, have adopted a Con-*
3 *stitution appropriate to their particular circumstances; and*

4 *Recognizing that the Compact reflected their common*
5 *desire to terminate the Trusteeship and establish a govern-*
6 *ment-to-government relationship which was in accordance*
7 *with the new political status based on the freely expressed*
8 *wishes of the people of the Federated States of Micronesia*
9 *and appropriate to their particular circumstances; and*

10 *Recognizing that the people of the Federated States of*
11 *Micronesia have and retain their sovereignty and their sov-*
12 *ereign right to self-determination and the inherent right to*
13 *adopt and amend their own Constitution and form of gov-*
14 *ernment and that the approval of the entry of the Govern-*
15 *ment of the Federated States of Micronesia into the Com-*
16 *pact by the people of the Federated States of Micronesia*
17 *constituted an exercise of their sovereign right to self-deter-*
18 *mination; and*

19 *Recognizing the common desire of the people of the*
20 *United States and the people of the Federated States of Mi-*
21 *cronesia to maintain their close government-to-government*
22 *relationship, the United States and the Federated States of*
23 *Micronesia:*

24 *NOW, THEREFORE, MUTUALLY AGREE to con-*
25 *tinue and strengthen their relationship of free association*

1 *by amending the Compact, which continues to provide a*
 2 *full measure of self-government for the people of the Fed-*
 3 *erated States of Micronesia; and*

4 *FURTHER AGREE that the relationship of free asso-*
 5 *ciation derives from and is as set forth in this Compact,*
 6 *as amended, by the Governments of the United States and*
 7 *the Federated States of Micronesia; and that, during such*
 8 *relationship of free association, the respective rights and re-*
 9 *sponsibilities of the Government of the United States and*
 10 *the Government of the Federated States of Micronesia in*
 11 *regard to this relationship of free association derive from*
 12 *and are as set forth in this Compact, as amended.*

13 *TITLE ONE*

14 *GOVERNMENTAL RELATIONS*

15 *Article I*

16 *Self-Government*

17 *Section 111*

18 *The people of the Federated States of Micronesia, act-*
 19 *ing through the Government established under their Con-*
 20 *stitution, are self-governing.*

21 *Article II*

22 *Foreign Affairs*

23 *Section 121*

24 *(a) The Government of the Federated States of Micro-*
 25 *nesia has the capacity to conduct foreign affairs and shall*

1 *do so in its own name and right, except as otherwise pro-*
2 *vided in this Compact, as amended.*

3 *(b) The foreign affairs capacity of the Government of*
4 *the Federated States of Micronesia includes:*

5 *(1) the conduct of foreign affairs relating to law*
6 *of the sea and marine resources matters, including the*
7 *harvesting, conservation, exploration or exploitation*
8 *of living and non-living resources from the sea, seabed*
9 *or subsoil to the full extent recognized under inter-*
10 *national law;*

11 *(2) the conduct of its commercial, diplomatic,*
12 *consular, economic, trade, banking, postal, civil avia-*
13 *tion, communications, and cultural relations, includ-*
14 *ing negotiations for the receipt of developmental loans*
15 *and grants and the conclusion of arrangements with*
16 *other governments and international and intergovern-*
17 *mental organizations, including any matters specially*
18 *benefiting its individual citizens.*

19 *(c) The Government of the United States recognizes*
20 *that the Government of the Federated States of Micronesia*
21 *has the capacity to enter into, in its own name and right,*
22 *treaties and other international agreements with govern-*
23 *ments and regional and international organizations.*

24 *(d) In the conduct of its foreign affairs, the Govern-*
25 *ment of the Federated States of Micronesia confirms that*

1 *it shall act in accordance with principles of international*
2 *law and shall settle its international disputes by peaceful*
3 *means.*

4 *Section 122*

5 *The Government of the United States shall support ap-*
6 *plications by the Government of the Federated States of Mi-*
7 *cronesia for membership or other participation in regional*
8 *or international organizations as may be mutually agreed.*

9 *Section 123*

10 *(a) In recognition of the authority and responsibility*
11 *of the Government of the United States under Title Three,*
12 *the Government of the Federated States of Micronesia shall*
13 *consult, in the conduct of its foreign affairs, with the Gov-*
14 *ernment of the United States.*

15 *(b) In recognition of the foreign affairs capacity of the*
16 *Government of the Federated States of Micronesia, the Gov-*
17 *ernment of the United States, in the conduct of its foreign*
18 *affairs, shall consult with the Government of the Federated*
19 *States of Micronesia on matters that the Government of the*
20 *United States regards as relating to or affecting the Govern-*
21 *ment of the Federated States of Micronesia.*

22 *Section 124*

23 *The Government of the United States may assist or*
24 *act on behalf of the Government of the Federated States of*
25 *Micronesia in the area of foreign affairs as may be re-*

1 *quested and mutually agreed from time to time. The Gov-*
2 *ernment of the United States shall not be responsible to*
3 *third parties for the actions of the Government of the Fed-*
4 *erated States of Micronesia undertaken with the assistance*
5 *or through the agency of the Government of the United*
6 *States pursuant to this section unless expressly agreed.*

7 *Section 125*

8 *The Government of the United States shall not be re-*
9 *sponsible for nor obligated by any actions taken by the Gov-*
10 *ernment of the Federated States of Micronesia in the area*
11 *of foreign affairs, except as may from time to time be ex-*
12 *pressly agreed.*

13 *Section 126*

14 *At the request of the Government of the Federated*
15 *States of Micronesia and subject to the consent of the receiv-*
16 *ing state, the Government of the United States shall extend*
17 *consular assistance on the same basis as for citizens of the*
18 *United States to citizens of the Federated States of Micro-*
19 *nesia for travel outside the Federated States of Micronesia,*
20 *the United States and its territories and possessions.*

21 *Section 127*

22 *Except as otherwise provided in this Compact, as*
23 *amended, or its related agreements, all obligations, respon-*
24 *sibilities, rights and benefits of the Government of the*
25 *United States as Administering Authority which resulted*

1 *from the application pursuant to the Trusteeship Agreement*
2 *of any treaty or other international agreement to the Trust*
3 *Territory of the Pacific Islands on November 2, 1986, are,*
4 *as of that date, no longer assumed and enjoyed by the Gov-*
5 *ernment of the United States.*

6 *Article III*

7 *Communications*

8 *Section 131*

9 *(a) The Government of the Federated States of Micro-*
10 *nesia has full authority and responsibility to regulate its*
11 *domestic and foreign communications, and the Government*
12 *of the United States shall provide communications assist-*
13 *ance as mutually agreed.*

14 *(b) On May 24, 1993, the Government of the Federated*
15 *States of Micronesia elected to undertake all functions pre-*
16 *viously performed by the Government of the United States*
17 *with respect to domestic and foreign communications, ex-*
18 *cept for those functions set forth in a separate agreement*
19 *entered into pursuant to this section of the Compact, as*
20 *amended.*

21 *Section 132*

22 *The Government of the Federated States of Micronesia*
23 *shall permit the Government of the United States to operate*
24 *telecommunications services in the Federated States of Mi-*
25 *cronesia to the extent necessary to fulfill the obligations of*

1 *the Government of the United States under this Compact,*
 2 *as amended, in accordance with the terms of separate agree-*
 3 *ments entered into pursuant to this section of the Compact,*
 4 *as amended.*

5 *Article IV*

6 *Immigration*

7 *Section 141*

8 *(a) In furtherance of the special and unique relation-*
 9 *ship that exists between the United States and the Federated*
 10 *States of Micronesia, under the Compact, as amended, any*
 11 *person in the following categories may be admitted to, law-*
 12 *fully engage in occupations, and establish residence as a*
 13 *nonimmigrant in the United States and its territories and*
 14 *possessions (the “United States”) without regard to para-*
 15 *graph (5) or (7)(B)(i)(II) of section 212(a) of the Immigra-*
 16 *tion and Nationality Act, as amended, 8 U.S.C. 1182(a)(5)*
 17 *or (7)(B)(i)(II):*

18 *(1) a person who, on November 2, 1986, was a*
 19 *citizen of the Trust Territory of the Pacific Islands,*
 20 *as defined in Title 53 of the Trust Territory Code in*
 21 *force on January 1, 1979, and has become and re-*
 22 *mains a citizen of the Federated States of Micronesia;*

23 *(2) a person who acquires the citizenship of the*
 24 *Federated States of Micronesia at birth, on or after*

1 *the effective date of the Constitution of the Federated*
2 *States of Micronesia;*

3 *(3) an immediate relative of a person referred to*
4 *in paragraphs (1) or (2) of this section, provided that*
5 *such immediate relative is a naturalized citizen of the*
6 *Federated States of Micronesia who has been an ac-*
7 *tual resident there for not less than five years after*
8 *attaining such naturalization and who holds a certifi-*
9 *cate of actual residence, and further provided, that, in*
10 *the case of a spouse, such spouse has been married to*
11 *the person referred to in paragraph (1) or (2) of this*
12 *section for at least five years, and further provided,*
13 *that the Government of the United States is satisfied*
14 *that such naturalized citizen meets the requirement of*
15 *subsection (b) of section 104 of Public Law 99–239 as*
16 *it was in effect on the day prior to the effective date*
17 *of this Compact, as amended;*

18 *(4) a naturalized citizen of the Federated States*
19 *of Micronesia who was an actual resident there for*
20 *not less than five years after attaining such natu-*
21 *ralization and who satisfied these requirements as of*
22 *April 30, 2003, who continues to be an actual resi-*
23 *dent and holds a certificate of actual residence, and*
24 *whose name is included in a list furnished by the*
25 *Government of the Federated States of Micronesia to*

1 *the Government of the United States no later than the*
2 *effective date of the Compact, as amended, in form*
3 *and content acceptable to the Government of the*
4 *United States, provided, that the Government of the*
5 *United States is satisfied that such naturalized cit-*
6 *izen meets the requirement of subsection (b) of section*
7 *104 of Public Law 99–239 as it was in effect on the*
8 *day prior to the effective date of this Compact, as*
9 *amended; or*

10 *(5) an immediate relative of a citizen of the Fed-*
11 *erated States of Micronesia, regardless of the imme-*
12 *diante relative’s country of citizenship or period of res-*
13 *idence in the Federated States of Micronesia, if the*
14 *citizen of the Federated States of Micronesia is serv-*
15 *ing on active duty in any branch of the United States*
16 *Armed Forces, or in the active reserves.*

17 *(b) Notwithstanding subsection (a) of this section, a*
18 *person who is coming to the United States pursuant to an*
19 *adoption outside the United States, or for the purpose of*
20 *adoption in the United States, is ineligible for admission*
21 *under the Compact and the Compact, as amended. This sub-*
22 *section shall apply to any person who is or was an appli-*
23 *cant for admission to the United States on or after March*
24 *1, 2003, including any applicant for admission in removal*
25 *proceedings (including appellate proceedings) on or after*

1 *March 1, 2003, regardless of the date such proceedings were*
2 *commenced. This subsection shall have no effect on the abil-*
3 *ity of the Government of the United States or any United*
4 *States State or local government to commence or otherwise*
5 *take any action against any person or entity who has vio-*
6 *lated any law relating to the adoption of any person.*

7 (c) *Notwithstanding subsection (a) of this section, no*
8 *person who has been or is granted citizenship in the Fed-*
9 *erated States of Micronesia, or has been or is issued a Fed-*
10 *erated States of Micronesia passport pursuant to any in-*
11 *vestment, passport sale, or similar program has been or*
12 *shall be eligible for admission to the United States under*
13 *the Compact or the Compact, as amended.*

14 (d) *A person admitted to the United States under the*
15 *Compact, or the Compact, as amended, shall be considered*
16 *to have the permission of the Government of the United*
17 *States to accept employment in the United States. An unex-*
18 *pired Federated States of Micronesia passport with unex-*
19 *pired documentation issued by the Government of the*
20 *United States evidencing admission under the Compact or*
21 *the Compact, as amended, shall be considered to be docu-*
22 *mentation establishing identity and employment authoriza-*
23 *tion under section 274A(b)(1)(B) of the Immigration and*
24 *Nationality Act, as amended, 8 U.S.C. 1324a(b)(1)(B). The*
25 *Government of the United States will take reasonable and*

1 *appropriate steps to implement and publicize this provi-*
2 *sion, and the Government of the Federated States of Micro-*
3 *nesia will also take reasonable and appropriate steps to*
4 *publicize this provision.*

5 *(e) For purposes of the Compact and the Compact, as*
6 *amended:*

7 *(1) the term “residence” with respect to a person*
8 *means the person’s principal, actual dwelling place in*
9 *fact, without regard to intent, as provided in section*
10 *101(a)(33) of the Immigration and Nationality Act,*
11 *as amended, 8 U.S.C. 1101(a)(33), and variations of*
12 *the term “residence,” including “resident” and “re-*
13 *side,” shall be similarly construed;*

14 *(2) the term “actual residence” means physical*
15 *presence in the Federated States of Micronesia during*
16 *eighty-five percent of the five-year period of residency*
17 *required by section 141(a)(3) and (4);*

18 *(3) the term “certificate of actual residence”*
19 *means a certificate issued to a naturalized citizen by*
20 *the Government of the Federated States of Micronesia*
21 *stating that the citizen has complied with the actual*
22 *residence requirement of section 141(a)(3) or (4);*

23 *(4) the term “nonimmigrant” means an alien*
24 *who is not an “immigrant” as defined in section*
25 *101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and*

1 (5) *the term “immediate relative” means a*
2 *spouse, or unmarried son or unmarried daughter less*
3 *than 21 years of age.*

4 (f) *The Immigration and Nationality Act, as amended,*
5 *shall apply to any person admitted or seeking admission*
6 *to the United States (other than a United States possession*
7 *or territory where such Act does not apply) under the Com-*
8 *act or the Compact, as amended, and nothing in the Com-*
9 *act or the Compact, as amended, shall be construed to*
10 *limit, preclude, or modify the applicability of, with respect*
11 *to such person:*

12 (1) *any ground of inadmissibility or deport-*
13 *ability under such Act (except sections 212(a)(5) and*
14 *212(a)(7)(B)(i)(II) of such Act, as provided in sub-*
15 *section (a) of this section), and any defense thereto,*
16 *provided that, section 237(a)(5) of such Act shall be*
17 *construed and applied as if it reads as follows: “any*
18 *alien who has been admitted under the Compact, or*
19 *the Compact, as amended, who cannot show that he*
20 *or she has sufficient means of support in the United*
21 *States, is deportable”;*

22 (2) *the authority of the Government of the*
23 *United States under section 214(a)(1) of such Act to*
24 *provide that admission as a nonimmigrant shall be*
25 *for such time and under such conditions as the Gov-*

1 *ernment of the United States may by regulations pre-*
2 *scribe;*

3 (3) *Except for the treatment of certain docu-*
4 *mentation for purposes of section 274A(b)(1)(B) of*
5 *such Act as provided by subsection (d) of this section*
6 *of the Compact, as amended, any requirement under*
7 *section 274A, including but not limited to section*
8 *274A(b)(1)(E);*

9 (4) *Section 643 of the Illegal Immigration Re-*
10 *form and Immigrant Responsibility Act of 1996, Pub-*
11 *lic Law 104–208, and actions taken pursuant to sec-*
12 *tion 643; and*

13 (5) *the authority of the Government of the*
14 *United States otherwise to administer and enforce the*
15 *Immigration and Nationality Act, as amended, or*
16 *other United States law.*

17 (g) *Any authority possessed by the Government of the*
18 *United States under this section of the Compact or the Com-*
19 *pact, as amended, may also be exercised by the Government*
20 *of a territory or possession of the United States where the*
21 *Immigration and Nationality Act, as amended, does not*
22 *apply, to the extent such exercise of authority is lawful*
23 *under a statute or regulation of such territory or possession*
24 *that is authorized by the laws of the United States.*

1 *(h) Subsection (a) of this section does not confer on*
2 *a citizen of the Federated States of Micronesia the right*
3 *to establish the residence necessary for naturalization under*
4 *the Immigration and Nationality Act, as amended, or to*
5 *petition for benefits for alien relatives under that Act. Sub-*
6 *section (a) of this section, however, shall not prevent a cit-*
7 *izen of the Federated States of Micronesia from otherwise*
8 *acquiring such rights or lawful permanent resident alien*
9 *status in the United States.*

10 *Section 142*

11 *(a) Any citizen or national of the United States may*
12 *be admitted, to lawfully engage in occupations, and reside*
13 *in the Federated States of Micronesia, subject to the rights*
14 *of the Government of the Federated States of Micronesia to*
15 *deny entry to or deport any such citizen or national as*
16 *an undesirable alien. Any determination of inadmissibility*
17 *or deportability shall be based on reasonable statutory*
18 *grounds and shall be subject to appropriate administrative*
19 *and judicial review within the Federated States of Micro-*
20 *nesia. If a citizen or national of the United States is a*
21 *spouse of a citizen of the Federated States of Micronesia,*
22 *the Government of the Federated States of Micronesia shall*
23 *allow the United States citizen spouse to establish residence.*
24 *Should the Federated States of Micronesia citizen spouse*
25 *predecease the United States citizen spouse during the mar-*

1 *riage, the Government of the Federated States of Micronesia*
2 *shall allow the United States citizen spouse to continue to*
3 *reside in the Federated States of Micronesia.*

4 **(b)** *In enacting any laws or imposing any require-*
5 *ments with respect to citizens and nationals of the United*
6 *States entering the Federated States of Micronesia under*
7 *subsection (a) of this section, including any grounds of in-*
8 *admissibility or deportability, the Government of the Fed-*
9 *erated States of Micronesia shall accord to such citizens and*
10 *nationals of the United States treatment no less favorable*
11 *than that accorded to citizens of other countries.*

12 **(c)** *Consistent with subsection (a) of this section, with*
13 *respect to citizens and nationals of the United States seek-*
14 *ing to engage in employment or invest in the Federated*
15 *States of Micronesia, the Government of the Federated*
16 *States of Micronesia shall adopt immigration-related proce-*
17 *dures no less favorable than those adopted by the Govern-*
18 *ment of the United States with respect to citizens of the*
19 *Federated States of Micronesia seeking employment in the*
20 *United States.*

21 *Section 143*

22 *Any person who relinquishes, or otherwise loses, his*
23 *United States nationality or citizenship, or his Federated*
24 *States of Micronesia citizenship, shall be ineligible to re-*
25 *ceive the privileges set forth in sections 141 and 142. Any*

1 *such person may apply for admission to the United States*
2 *or the Federated States of Micronesia, as the case may be,*
3 *in accordance with any other applicable laws of the United*
4 *States or the Federated States of Micronesia relating to im-*
5 *migration of aliens from other countries. The laws of the*
6 *Federated States of Micronesia or the United States, as the*
7 *case may be, shall dictate the terms and conditions of any*
8 *such person's stay.*

9 *Article V*

10 *Representation*

11 *Section 151*

12 *Relations between the Government of the United States*
13 *and the Government of the Federated States of Micronesia*
14 *shall be conducted in accordance with the Vienna Conven-*
15 *tion on Diplomatic Relations. In addition to diplomatic*
16 *missions and representation, the Governments may estab-*
17 *lish and maintain other offices and designate other rep-*
18 *resentatives on terms and in locations as may be mutually*
19 *agreed.*

20 *Section 152*

21 *(a) Any citizen or national of the United States who,*
22 *without authority of the United States, acts as the agent*
23 *of the Government of the Federated States of Micronesia*
24 *with regard to matters specified in the provisions of the*
25 *Foreign Agents Registration Act of 1938, as amended (22*

1 *U.S.C. 611 et seq.*), that apply with respect to an agent
2 of a foreign principal shall be subject to the requirements
3 of such Act. Failure to comply with such requirements shall
4 subject such citizen or national to the same penalties and
5 provisions of law as apply in the case of the failure of such
6 an agent of a foreign principal to comply with such require-
7 ments. For purposes of the *Foreign Agents Registration Act*
8 of 1938, the *Federated States of Micronesia* shall be consid-
9 ered to be a foreign country.

10 (b) Subsection (a) of this section shall not apply to
11 a citizen or national of the United States employed by the
12 Government of the *Federated States of Micronesia* with re-
13 spect to whom the Government of the *Federated States of*
14 *Micronesia* from time to time certifies to the Government
15 of the United States that such citizen or national is an em-
16 ployee of the *Federated States of Micronesia* whose prin-
17 cipal duties are other than those matters specified in the
18 *Foreign Agents Registration Act of 1938*, as amended, that
19 apply with respect to an agent of a foreign principal. The
20 agency or officer of the United States receiving such certifi-
21 cations shall cause them to be filed with the Attorney Gen-
22 eral, who shall maintain a publicly available list of the per-
23 sons so certified.

*Article VI**Environmental Protection**Section 161*

The Governments of the United States and the Federated States of Micronesia declare that it is their policy to promote efforts to prevent or eliminate damage to the environment and biosphere and to enrich understanding of the natural resources of the Federated States of Micronesia. In order to carry out this policy, the Government of the United States and the Government of the Federated States of Micronesia agree to the following mutual and reciprocal undertakings.

(a) The Government of the United States:

(1) shall continue to apply the environmental controls in effect on November 2, 1986 to those of its continuing activities subject to section 161(a)(2), unless and until those controls are modified under sections 161(a)(3) and 161(a)(4);

(2) shall apply the National Environmental Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 et seq., to its activities under the Compact, as amended, and its related agreements as if the Federated States of Micronesia were the United States;

(3) shall comply also, in the conduct of any activity requiring the preparation of an Environmental

1 *Impact Statement under section 161(a)(2), with*
2 *standards substantively similar to those required by*
3 *the following laws of the United States, taking into*
4 *account the particular environment of the Federated*
5 *States of Micronesia: the Endangered Species Act of*
6 *1973, as amended, 87 Stat. 884, 16 U.S.C. 1531 et*
7 *seq.; the Clean Air Act, as amended, 77 Stat. 392, 42*
8 *U.S.C. Supp. 7401 et seq.; the Clean Water Act (Fed-*
9 *eral Water Pollution Control Act), as amended, 86*
10 *Stat. 896, 33 U.S.C. 1251 et seq.; Title I of the Ma-*
11 *rine Protection, Research and Sanctuaries Act of*
12 *1972 (the Ocean Dumping Act), 33 U.S.C. 1411 et*
13 *seq.; the Toxic Substances Control Act, as amended,*
14 *15 U.S.C. 2601 et seq.; the Solid Waste Disposal Act,*
15 *as amended, 42 U.S.C. 6901 et seq.; and such other*
16 *environmental protection laws of the United States*
17 *and of the Federated States of Micronesia, as may be*
18 *mutually agreed from time to time with the Govern-*
19 *ment of the Federated States of Micronesia; and*

20 (4) *shall develop, prior to conducting any activ-*
21 *ity requiring the preparation of an Environmental*
22 *Impact Statement under section 161(a)(2), written*
23 *standards and procedures, as agreed with the Govern-*
24 *ment of the Federated States of Micronesia, to imple-*
25 *ment the substantive provisions of the laws made ap-*

1 *plicable to U.S. Government activities in the Fed-*
2 *erated States of Micronesia, pursuant to section*
3 *161(a)(3).*

4 *(b) The Government of the Federated States of Micro-*
5 *nesia shall continue to develop and implement standards*
6 *and procedures to protect its environment. As a reciprocal*
7 *obligation to the undertakings of the Government of the*
8 *United States under this Article, the Federated States of*
9 *Micronesia, taking into account its particular environment,*
10 *shall continue to develop and implement standards for envi-*
11 *ronmental protection substantively similar to those required*
12 *of the Government of the United States by section 161(a)(3)*
13 *prior to its conducting activities in the Federated States*
14 *of Micronesia, substantively equivalent to activities con-*
15 *ducted there by the Government of the United States and,*
16 *as a further reciprocal obligation, shall enforce those stand-*
17 *ards.*

18 *(c) Section 161(a), including any standard or proce-*
19 *dure applicable thereunder, and section 161(b) may be*
20 *modified or superseded in whole or in part by agreement*
21 *of the Government of the United States and the Government*
22 *of the Federated States of Micronesia.*

23 *(d) In the event that an Environmental Impact State-*
24 *ment is no longer required under the laws of the United*
25 *States for major Federal actions significantly affecting the*

1 *quality of the human environment, the regulatory regime*
2 *established under sections 161(a)(3) and 161(a)(4) shall*
3 *continue to apply to such activities of the Government of*
4 *the United States until amended by mutual agreement.*

5 *(e) The President of the United States may exempt any*
6 *of the activities of the Government of the United States*
7 *under this Compact, as amended, and its related agree-*
8 *ments from any environmental standard or procedure*
9 *which may be applicable under sections 161(a)(3) and*
10 *161(a)(4) if the President determines it to be in the para-*
11 *mount interest of the Government of the United States to*
12 *do so, consistent with Title Three of this Compact, as*
13 *amended, and the obligations of the Government of the*
14 *United States under international law. Prior to any deci-*
15 *sion pursuant to this subsection, the views of the Govern-*
16 *ment of the Federated States of Micronesia shall be sought*
17 *and considered to the extent practicable. If the President*
18 *grants such an exemption, to the extent practicable, a report*
19 *with his reasons for granting such exemption shall be given*
20 *promptly to the Government of the Federated States of Mi-*
21 *cronesia.*

22 *(f) The laws of the United States referred to in section*
23 *161(a)(3) shall apply to the activities of the Government*
24 *of the United States under this Compact, as amended, and*

1 *its related agreements only to the extent provided for in this*
2 *section.*

3 *Section 162*

4 *The Government of the Federated States of Micronesia*
5 *may bring an action for judicial review of any administra-*
6 *tive agency action or any activity of the Government of the*
7 *United States pursuant to section 161(a) for enforcement*
8 *of the obligations of the Government of the United States*
9 *arising thereunder. The United States District Court for the*
10 *District of Hawaii and the United States District Court*
11 *for the District of Columbia shall have jurisdiction over*
12 *such action or activity, and over actions brought under sec-*
13 *tion 172(b) which relate to the activities of the Government*
14 *of the United States and its officers and employees, gov-*
15 *erned by section 161, provided that:*

16 *(a) Such actions may only be civil actions for*
17 *any appropriate civil relief other than punitive dam-*
18 *ages against the Government of the United States or,*
19 *where required by law, its officers in their official ca-*
20 *pacities; no criminal actions may arise under this sec-*
21 *tion.*

22 *(b) Actions brought pursuant to this section may*
23 *be initiated only by the Government of the Federated*
24 *States of Micronesia.*

1 (c) *Administrative agency actions arising under*
2 *section 161 shall be reviewed pursuant to the stand-*
3 *ard of judicial review set forth in 5 U.S.C. 706.*

4 (d) *The United States District Court for the Dis-*
5 *trict of Hawaii and the United States District Court*
6 *for the District of Columbia shall have jurisdiction to*
7 *issue all necessary processes, and the Government of*
8 *the United States agrees to submit itself to the juris-*
9 *isdiction of the court; decisions of the United States*
10 *District Court shall be reviewable in the United*
11 *States Court of Appeals for the Ninth Circuit or the*
12 *United States Court of Appeals for the District of Co-*
13 *lumbia, respectively, or in the United States Supreme*
14 *Court as provided by the laws of the United States.*

15 (e) *The judicial remedy provided for in this sec-*
16 *tion shall be the exclusive remedy for the judicial re-*
17 *view or enforcement of the obligations of the Govern-*
18 *ment of the United States under this Article and ac-*
19 *tions brought under section 172(b) which relate to the*
20 *activities of the Government of the United States and*
21 *its officers and employees governed by section 161.*

22 (f) *In actions pursuant to this section, the Gov-*
23 *ernment of the Federated States of Micronesia shall be*
24 *treated as if it were a United States citizen.*

25 *Section 163*

1 (a) *For the purpose of gathering data necessary to*
2 *study the environmental effects of activities of the Govern-*
3 *ment of the United States subject to the requirements of this*
4 *Article, the Government of the Federated States of Micro-*
5 *nesia shall be granted access to facilities operated by the*
6 *Government of the United States in the Federated States*
7 *of Micronesia, to the extent necessary for this purpose, ex-*
8 *cept to the extent such access would unreasonably interfere*
9 *with the exercise of the authority and responsibility of the*
10 *Government of the United States under Title Three.*

11 (b) *The Government of the United States, in turn, shall*
12 *be granted access to the Federated States of Micronesia for*
13 *the purpose of gathering data necessary to discharge its ob-*
14 *ligations under this Article, except to the extent such access*
15 *would unreasonably interfere with the exercise of the au-*
16 *thority and responsibility of the Government of the Fed-*
17 *erated States of Micronesia under Title One, and to the ex-*
18 *tent necessary for this purpose shall be granted access to*
19 *documents and other information to the same extent similar*
20 *access is provided the Government of the Federated States*
21 *of Micronesia under the Freedom of Information Act, 5*
22 *U.S.C. 552.*

23 (c) *The Government of the Federated States of Micro-*
24 *nesia shall not impede efforts by the Government of the*

1 *United States to comply with applicable standards and*
2 *procedures.*

3 *Article VII*

4 *General Legal Provisions*

5 *Section 171*

6 *Except as provided in this Compact, as amended, or*
7 *its related agreements, the application of the laws of the*
8 *United States to the Trust Territory of the Pacific Islands*
9 *by virtue of the Trusteeship Agreement ceased with respect*
10 *to the Federated States of Micronesia on November 3, 1986,*
11 *the date the Compact went into effect.*

12 *Section 172*

13 *(a) Every citizen of the Federated States of Micronesia*
14 *who is not a resident of the United States shall enjoy the*
15 *rights and remedies under the laws of the United States*
16 *enjoyed by any non-resident alien.*

17 *(b) The Government of the Federated States of Micro-*
18 *nesia and every citizen of the Federated States of Micro-*
19 *nesia shall be considered to be a “person” within the mean-*
20 *ing of the Freedom of Information Act, 5 U.S.C. 552, and*
21 *of the judicial review provisions of the Administrative Pro-*
22 *cedure Act, 5 U.S.C. 701–706, except that only the Govern-*
23 *ment of the Federated States of Micronesia may seek judi-*
24 *cial review under the Administrative Procedure Act or judi-*
25 *cial enforcement under the Freedom of Information Act*

1 *when such judicial review or enforcement relates to the ac-*
2 *tivities of the Government of the United States governed by*
3 *sections 161 and 162.*

4 *Section 173*

5 *The Governments of the United States and the Fed-*
6 *erated States of Micronesia agree to adopt and enforce such*
7 *measures, consistent with this Compact, as amended, and*
8 *its related agreements, as may be necessary to protect the*
9 *personnel, property, installations, services, programs and*
10 *official archives and documents maintained by the Govern-*
11 *ment of the United States in the Federated States of Micro-*
12 *nesia pursuant to this Compact, as amended, and its re-*
13 *lated agreements and by the Government of the Federated*
14 *States of Micronesia in the United States pursuant to this*
15 *Compact, as amended, and its related agreements.*

16 *Section 174*

17 *Except as otherwise provided in this Compact, as*
18 *amended, and its related agreements:*

19 *(a) The Government of the Federated States of*
20 *Micronesia, and its agencies and officials, shall be*
21 *immune from the jurisdiction of the court of the*
22 *United States, and the Government of the United*
23 *States, and its agencies and officials, shall be immune*
24 *from the jurisdiction of the courts of the Federated*
25 *States of Micronesia.*

1 (b) *The Government of the United States accepts*
2 *responsibility for and shall pay:*

3 (1) *any unpaid money judgment rendered*
4 *by the High Court of the Trust Territory of the*
5 *Pacific Islands against the Government of the*
6 *United States with regard to any cause of action*
7 *arising as a result of acts or omissions of the*
8 *Government of the Trust Territory of the Pacific*
9 *Islands or the Government of the United States*
10 *prior to November 3, 1986;*

11 (2) *any claim settled by the claimant and*
12 *the Government of the Trust Territory of the Pa-*
13 *cific Islands but not paid as of the November 3,*
14 *1986; and*

15 (3) *settlement of any administrative claim*
16 *or of any action before a court of the Trust Ter-*
17 *ritory of the Pacific Islands or the Government*
18 *of the United States, arising as a result of acts*
19 *or omissions of the Government of the Trust Ter-*
20 *ritory of the Pacific Islands or the Government*
21 *of the United States.*

22 (c) *Any claim not referred to in section 174(b)*
23 *and arising from an act or omission of the Govern-*
24 *ment of the Trust Territory of the Pacific Islands or*
25 *the Government of the United States prior to the effec-*

1 *tive date of the Compact shall be adjudicated in the*
2 *same manner as a claim adjudicated according to sec-*
3 *tion 174(d). In any claim against the Government of*
4 *the Trust Territory of the Pacific Islands, the Govern-*
5 *ment of the United States shall stand in the place of*
6 *the Government of the Trust Territory of the Pacific*
7 *Islands. A judgment on any claim referred to in sec-*
8 *tion 174(b) or this subsection, not otherwise satisfied*
9 *by the Government of the United States, may be pre-*
10 *sented for certification to the United States Court of*
11 *Appeals for the Federal Circuit, or its successor*
12 *courts, which shall have jurisdiction therefore, not-*
13 *withstanding the provisions of 28 U.S.C. 1502, and*
14 *which court's decisions shall be reviewable as provided*
15 *by the laws of the United States. The United States*
16 *Court of Appeals for the Federal Circuit shall certify*
17 *such judgment, and order payment thereof, unless it*
18 *finds, after a hearing, that such judgment is mani-*
19 *festly erroneous as to law or fact, or manifestly exces-*
20 *sive. In either of such cases the United States Court*
21 *of Appeals for the Federal Circuit shall have jurisdic-*
22 *tion to modify such judgment.*

23 *(d) The Government of the Federated States of*
24 *Micronesia shall not be immune from the jurisdiction*
25 *of the courts of the United States, and the Govern-*

1 *ment of the United States shall not be immune from*
2 *the jurisdiction of the courts of the Federated States*
3 *of Micronesia in any civil case in which an exception*
4 *to foreign state immunity is set forth in the Foreign*
5 *Sovereign Immunities Act (28 U.S.C. 1602 et seq.) or*
6 *its successor statutes.*

7 *Section 175*

8 *(a) A separate agreement, which shall come into effect*
9 *simultaneously with this Compact, as amended, and shall*
10 *have the force of law, shall govern mutual assistance and*
11 *cooperation in law enforcement matters, including the pur-*
12 *suit, capture, imprisonment and extradition of fugitives*
13 *from justice and the transfer of prisoners, as well as other*
14 *law enforcement matters. In the United States, the laws of*
15 *the United States governing international extradition, in-*
16 *cluding 18 U.S.C. 3184, 3186 and 3188–95, shall be appli-*
17 *cable to the extradition of fugitives under the separate*
18 *agreement, and the laws of the United States governing the*
19 *transfer of prisoners, including 18 U.S.C. 4100–15, shall*
20 *be applicable to the transfer of prisoners under the separate*
21 *agreement; and*

22 *(b) A separate agreement, which shall come into effect*
23 *simultaneously with this Compact, as amended, and shall*
24 *have the force of law, shall govern requirements relating to*
25 *labor recruitment practices, including registration, report-*

1 *ing, suspension or revocation of authorization to recruit*
2 *persons for employment in the United States, and enforce-*
3 *ment for violations of such requirements.*

4 *Section 176*

5 *The Government of the Federated States of Micronesia*
6 *confirms that final judgments in civil cases rendered by any*
7 *court of the Trust Territory of the Pacific Islands shall con-*
8 *tinue in full force and effect, subject to the constitutional*
9 *power of the courts of the Federated States of Micronesia*
10 *to grant relief from judgments in appropriate cases.*

11 *Section 177*

12 *Section 177 of the Compact entered into force with re-*
13 *spect to the Federated States of Micronesia on November*
14 *3, 1986 as follows:*

15 *“(a) The Government of the United States ac-*
16 *cepts the responsibility for compensation owing to*
17 *citizens of the Marshall Islands, or the Federated*
18 *States of Micronesia, or Palau for loss or damage to*
19 *property and person of the citizens of the Marshall Is-*
20 *lands, or the Federated States of Micronesia, resulting*
21 *from the nuclear testing program which the Govern-*
22 *ment of the United States conducted in the Northern*
23 *Marshall Islands between June 30, 1946, and August*
24 *18, 1958.*

1 “(b) *The Government of the United States and*
2 *the Government of the Marshall Islands shall set forth*
3 *in a separate agreement provisions for the just and*
4 *adequate settlement of all such claims which have*
5 *arisen in regard to the Marshall Islands and its citi-*
6 *zens and which have not as yet been compensated or*
7 *which in the future may arise, for the continued ad-*
8 *ministration by the Government of the United States*
9 *of direct radiation related medical surveillance and*
10 *treatment programs and radiological monitoring ac-*
11 *tivities and for such additional programs and activi-*
12 *ties as may be mutually agreed, and for the assump-*
13 *tion by the Government of the Marshall Islands of re-*
14 *ponsibility for enforcement of limitations on the uti-*
15 *lization of affected areas developed in cooperation*
16 *with the Government of the United States and for the*
17 *assistance by the Government of the United States in*
18 *the exercise of such responsibility as may be mutually*
19 *agreed. This separate agreement shall come into effect*
20 *simultaneously with this Compact and shall remain*
21 *in effect in accordance with its own terms.*

22 “(c) *The Government of the United States shall*
23 *provide to the Government of the Marshall Islands, on*
24 *a grant basis, the amount of \$150 million to be paid*
25 *and distributed in accordance with the separate*

1 *agreement referred to in this Section, and shall pro-*
2 *vide the services and programs set forth in this sepa-*
3 *rate agreement, the language of which is incorporated*
4 *into this Compact.”*

5 *The Compact, as amended, makes no changes to, and*
6 *has no effect upon, Section 177 of the Compact, nor does*
7 *the Compact, as amended, change or affect the separate*
8 *agreement referred to in Section 177 of the Compact includ-*
9 *ing Articles IX and X of that separate agreement, and*
10 *measures taken by the parties thereunder.*

11 *Section 178*

12 *(a) The Federal agencies of the Government of the*
13 *United States that provide the services and related pro-*
14 *grams in the Federated States of Micronesia pursuant to*
15 *Title Two are authorized to settle and pay tort claims aris-*
16 *ing in the Federated States of Micronesia from the activities*
17 *of such agencies or from the acts or omissions of the employ-*
18 *ees of such agencies. Except as provided in section 178(b),*
19 *the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall*
20 *apply exclusively to such administrative settlements and*
21 *payments.*

22 *(b) Claims under section 178(a) that cannot be settled*
23 *under section 178(a) shall be disposed of exclusively in ac-*
24 *cordance with Article II of Title Four. Arbitration awards*

1 rendered pursuant to this subsection shall be paid out of
2 funds under 31 U.S.C. 1304.

3 (c) The Government of the United States and the Gov-
4 ernment of the Federated States of Micronesia shall, in the
5 separate agreement referred to in section 231, provide for:

6 (1) the administrative settlement of claims re-
7 ferred to in section 178(a), including designation of
8 local agents in each State of the Federated States of
9 Micronesia; such agents to be empowered to accept,
10 investigate and settle such claims, in a timely man-
11 ner, as provided in such separate agreements; and

12 (2) arbitration, referred to in section 178(b), in
13 a timely manner, at a site convenient to the claim-
14 ant, in the event a claim is not otherwise settled pur-
15 suant to section 178(a).

16 (d) The provisions of section 174(d) shall not apply
17 to claims covered by this section.

18 (e) Except as otherwise explicitly provided by law of
19 the United States, neither the Government of the United
20 States, its instrumentalities, nor any person acting on be-
21 half of the Government of the United States, shall be named
22 a party in any action based on, or arising out of, the activ-
23 ity or activities of a recipient of any grant or other assist-
24 ance provided by the Government of the United States (or

1 *the activity or activities of the recipient's agency or any*
 2 *other person or entity acting on behalf of the recipient).*

3 *Section 179*

4 *(a) The courts of the Federated States of Micronesia*
 5 *shall not exercise criminal jurisdiction over the Government*
 6 *of the United States, or its instrumentalities.*

7 *(b) The courts of the Federated States of Micronesia*
 8 *shall not exercise criminal jurisdiction over any person if*
 9 *the Government of the United States provides notification*
 10 *to the Government of the Federated States of Micronesia*
 11 *that such person was acting on behalf of the Government*
 12 *of the United States, for actions taken in furtherance of sec-*
 13 *tion 221 or 224 of this amended Compact, or any other*
 14 *provision of law authorizing financial, program, or service*
 15 *assistance to the Federated States of Micronesia.*

16

TITLE TWO

17

ECONOMIC RELATIONS

18

Article I

19

Grant Assistance

20 *Section 211 - Sector Grants*

21 *(a) In order to assist the Government of the Federated*
 22 *States of Micronesia in its efforts to promote the economic*
 23 *advancement, budgetary self-reliance, and economic self-suf-*
 24 *ficiency of its people, and in recognition of the special rela-*
 25 *tionship that exists between the Federated States of Micro-*

1 nesia and the United States, the Government of the United
2 States shall provide assistance on a sector grant basis for
3 a period of twenty years in the amounts set forth in section
4 216, commencing on the effective date of this Compact, as
5 amended. Such grants shall be used for assistance in the
6 sectors of education, health care, private sector development,
7 the environment, public sector capacity building, and pub-
8 lic infrastructure, or for other sectors as mutually agreed,
9 with priorities in the education and health care sectors. For
10 each year such sector grant assistance is made available,
11 the proposed division of this amount among these sectors
12 shall be certified to the Government of the United States
13 by the Government of the Federated States of Micronesia
14 and shall be subject to the concurrence of the Government
15 of the United States. In such case, the Government of the
16 United States shall disburse the agreed upon amounts and
17 monitor the use of such sector grants in accordance with
18 the provisions of this Article and the Agreement Concerning
19 Procedures for the Implementation of United States Eco-
20 nomic Assistance Provided in the Compact, as Amended,
21 of Free Association Between the Government of the United
22 States of America and the Government of the Federated
23 States of Micronesia (“Fiscal Procedures Agreement”)
24 which shall come into effect simultaneously with this Com-
25 pact, as amended. The provision of any United States as-

1 *sistance under the Compact, as amended, the Fiscal Proce-*
2 *dures Agreement, the Trust Fund Agreement, or any other*
3 *subsidiary agreement to the Compact, as amended, shall*
4 *constitute “a particular distribution . . . required by the*
5 *terms or special nature of the assistance” for purposes of*
6 *Article XII, section 1(b) of the Constitution of the Federated*
7 *States of Micronesia.*

8 (1) *EDUCATION.—United States grant assistance*
9 *shall be made available in accordance with the plan*
10 *described in subsection (c) of this section to support*
11 *and improve the educational system of the Federated*
12 *States of Micronesia and develop the human, finan-*
13 *cial, and material resources necessary for the Govern-*
14 *ment of the Federated States of Micronesia to perform*
15 *these services. Emphasis should be placed on advanc-*
16 *ing a quality basic education system.*

17 (2) *HEALTH.—United States grant assistance*
18 *shall be made available in accordance with the plan*
19 *described in subsection (c) of this section to support*
20 *and improve the delivery of preventive, curative and*
21 *environmental care and develop the human, financial,*
22 *and material resources necessary for the Government*
23 *of the Federated States of Micronesia to perform these*
24 *services.*

1 (3) *PRIVATE SECTOR DEVELOPMENT.*—United
2 *States grant assistance shall be made available in ac-*
3 *cordance with the plan described in subsection (c) of*
4 *this section to support the efforts of the Government*
5 *of the Federated States of Micronesia to attract for-*
6 *ign investment and increase indigenous business ac-*
7 *tivity by vitalizing the commercial environment, en-*
8 *sureing fair and equitable application of the law, pro-*
9 *moting adherence to core labor standards, and main-*
10 *taining progress toward privatization of state-owned*
11 *and partially state-owned enterprises, and engaging*
12 *in other reforms.*

13 (4) *CAPACITY BUILDING IN THE PUBLIC SEC-*
14 *TOR.*—United States grant assistance shall be made
15 *available in accordance with the plan described in*
16 *subsection (c) of this section to support the efforts of*
17 *the Government of the Federated States of Micronesia*
18 *to build effective, accountable and transparent na-*
19 *tional, state, and local government and other public*
20 *sector institutions and systems.*

21 (5) *ENVIRONMENT.*—United States grant assist-
22 *ance shall be made available in accordance with the*
23 *plan described in subsection (c) of this section to in-*
24 *crease environmental protection; conserve and achieve*
25 *sustainable use of natural resources; and engage in*

1 *environmental infrastructure planning, design con-*
2 *struction and operation.*

3 (6) *PUBLIC INFRASTRUCTURE.*—

4 (i) *U.S. annual grant assistance shall be*
5 *made available in accordance with a list of spe-*
6 *cific projects included in the plan described in*
7 *subsection (c) of this section to assist the Govern-*
8 *ment of the Federated States of Micronesia in its*
9 *efforts to provide adequate public infrastructure.*

10 (ii) *INFRASTRUCTURE AND MAINTENANCE*
11 *FUND.*—*Five percent of the annual public infra-*
12 *structure grant made available under paragraph*
13 *(i) of this subsection shall be set aside, with an*
14 *equal contribution from the Government of the*
15 *Federated States of Micronesia, as a contribution*
16 *to an Infrastructure Maintenance Fund (IMF).*
17 *Administration of the Infrastructure Mainte-*
18 *nance Fund shall be governed by the Fiscal Pro-*
19 *cedures Agreement.*

20 (b) *HUMANITARIAN ASSISTANCE.*—*Federated States of*
21 *Micronesia Program. In recognition of the special develop-*
22 *ment needs of the Federated States of Micronesia, the Gov-*
23 *ernment of the United States shall make available to the*
24 *Government of the Federated States of Micronesia, on its*
25 *request and to be deducted from the grant amount made*

1 available under subsection (a) of this section, a Humanitarian Assistance - Federated States of Micronesia
2 (*"HAFSM"*) Program with emphasis on health, education,
3 and infrastructure (including transportation), projects. The
4 terms and conditions of the HAFSM shall be set forth in
5 the Agreement Regarding the Military Use and Operating
6 Rights of the Government of the United States in the Government of the Federated States of Micronesia Concluded
7 Pursuant to Sections 321 and 323 of the Compact of Free
8 Association, as Amended which shall come into effect simultaneously with the amendments to this Compact.

12 (c) *DEVELOPMENT PLAN.*—The Government of the
13 Federated States of Micronesia shall prepare and maintain
14 an official overall development plan. The plan shall be strategic in nature, shall be continuously reviewed and updated
15 through the annual budget process, and shall make projections on a multi-year rolling basis. Each of the sectors
16 named in subsection (a) of this section, or other sectors as
17 mutually agreed, shall be accorded specific treatment in the
18 plan. Insofar as grants funds are involved, the plan shall
19 be subject to the concurrence of the Government of the
20 United States.

23 (d) *DISASTER ASSISTANCE EMERGENCY FUND.*—An
24 amount of two hundred thousand dollars (\$200,000) shall
25 be provided annually, with an equal contribution from the

1 *Government of the Federated States of Micronesia, as a con-*
2 *tribution to a “Disaster Assistance Emergency Fund*
3 *(DAEF).” Any funds from the DAEF may be used only*
4 *for assistance and rehabilitation resulting from disasters*
5 *and emergencies. The funds will be accessed upon declara-*
6 *tion by the Government of the Federated States of Micro-*
7 *nesia, with the concurrence of the United States Chief of*
8 *Mission to the Federated States of Micronesia. The Admin-*
9 *istration of the DAEF shall be governed by the Fiscal Proce-*
10 *dures Agreement.*

11 *Section 212 - Accountability.*

12 *(a) Regulations and policies normally applicable to*
13 *United States financial assistance to its state and local gov-*
14 *ernments, as reflected in the Fiscal Procedures Agreement,*
15 *shall apply to each sector grant described in section 211,*
16 *and to grants administered under section 221 below, except*
17 *as modified in the separate agreements referred to in section*
18 *231 of this Compact, as amended, or by United States law.*
19 *The Government of the United States, after annual con-*
20 *sultations with the Federated States of Micronesia, may at-*
21 *tach reasonable terms and conditions, including annual*
22 *performance indicators that are necessary to ensure effective*
23 *use of United States assistance and reasonable progress to-*
24 *ward achieving program objectives. The Government of the*
25 *United States may seek appropriate remedies for non-*

1 *compliance with the terms and conditions attached to the*
2 *assistance, or for failure to comply with section 234, includ-*
3 *ing withholding assistance.*

4 **(b)** *The Government of the United States shall, for each*
5 *fiscal year of the twenty years during which assistance is*
6 *to be provided on a sector grant basis under section 211,*
7 *grant the Government of the Federated States of Micronesia*
8 *an amount equal to the lesser of (i) one half of the reason-*
9 *able, properly documented cost incurred during each fiscal*
10 *year to conduct the annual audit required under Article*
11 *VIII (2) of the Fiscal Procedures Agreement or (ii)*
12 *\$500,000. Such amount will not be adjusted for inflation*
13 *under section 217 or otherwise.*

14 *Section 213 - Joint Economic Management Committee*

15 *The Governments of the United States and the Fed-*
16 *erated States of Micronesia shall establish a Joint Economic*
17 *Management Committee, composed of a U.S. chair, two*
18 *other members from the Government of the United States*
19 *and two members from the Government of the Federated*
20 *States of Micronesia. The Joint Economic Management*
21 *Committee shall meet at least once each year to review the*
22 *audits and reports required under this Title, evaluate the*
23 *progress made by the Federated States of Micronesia in*
24 *meeting the objectives identified in its plan described in*
25 *subsection (c) of section 211, with particular focus on those*

1 *parts of the plan dealing with the sectors identified in sub-*
2 *section (a) of section 211, identify problems encountered,*
3 *and recommend ways to increase the effectiveness of U.S.*
4 *assistance made available under this Title. The establish-*
5 *ment and operations of the Joint Economic Management*
6 *Committee shall be governed by the Fiscal Procedures Agree-*
7 *ment.*

8 *Section 214 - Annual Report*

9 *The Government of the Federated States of Micronesia*
10 *shall report annually to the President of the United States*
11 *on the use of United States sector grant assistance and other*
12 *assistance and progress in meeting mutually agreed pro-*
13 *gram and economic goals. The Joint Economic Manage-*
14 *ment Committee shall review and comment on the report*
15 *and make appropriate recommendations based thereon.*

16 *Section 215 - Trust Fund*

17 *(a) The United States shall contribute annually for*
18 *twenty years from the effective date of this Compact, as*
19 *amended, in the amounts set forth in section 216 into a*
20 *Trust Fund established in accordance with the Agreement*
21 *Between the Government of the United States of America*
22 *and the Government of the Federated States of Micronesia*
23 *Implementing Section 215 and Section 216 of the Compact,*
24 *as Amended, Regarding a Trust Fund (“Trust Fund Agree-*
25 *ment”). Upon termination of the annual financial assist-*

1 *ance under section 211, the proceeds of the fund shall there-*
2 *after be used for the purposes described in section 211 or*
3 *as otherwise mutually agreed.*

4 *(b) The United States contribution into the Trust*
5 *Fund described in subsection(a) of this section is condi-*
6 *tioned on the Government of the Federated States of Micro-*
7 *nesia contributing to the Trust Fund at least \$30 million,*
8 *prior to September 30, 2004. Any funds received by the Fed-*
9 *erated States of Micronesia under section 111 (d) of Public*
10 *Law 99–239 (January 14, 1986), or successor provisions,*
11 *would be contributed to the Trust Fund as a Federated*
12 *States of Micronesia contribution.*

13 *(c) The terms regarding the investment and manage-*
14 *ment of funds and use of the income of the Trust Fund shall*
15 *be set forth in the separate Trust Fund Agreement described*
16 *in subsection (a) of this section. Funds derived from United*
17 *States investment shall not be subject to Federal or state*
18 *taxes in the United States or the Federated States of Micro-*
19 *nesia. The Trust Fund Agreement shall also provide for an-*
20 *ual reports to the Government of the United States and*
21 *to the Government of the Federated States of Micronesia.*
22 *The Trust Fund Agreement shall provide for appropriate*
23 *distributions of trust fund proceeds to the Federated States*
24 *of Micronesia and for appropriate remedies for the failure*
25 *of the Federated States of Micronesia to use income of the*

1 *Trust Fund for the annual grant purposes set forth in sec-*
 2 *tion 211. These remedies may include the return to the*
 3 *United States of the present market value of its contribu-*
 4 *tions to the Trust Fund and the present market value of*
 5 *any undistributed income on the contributions of the*
 6 *United States. If this Compact, as amended, is terminated,*
 7 *the provisions of sections 451 through 453 of this Compact,*
 8 *as amended, shall govern treatment of any U.S. contribu-*
 9 *tions to the Trust Fund or accrued interest thereon.*

10 *Section 216 - Sector Grant Funding and Trust Fund Con-*
 11 *tributions*

12 *The funds described in sections 211, 212(b) and 215*
 13 *shall be made available as follows:*

[In millions of dollars]

<i>Fiscal year</i>	<i>Annual Grants Section 211</i>	<i>Audit Grant Section 212(b) (amount up to)</i>	<i>Trust Fund Section 215</i>	<i>Total</i>
2004	76.2	.5	16	92.7
2005	76.2	.5	16	92.7
2006	76.2	.5	16	92.7
2007	75.4	.5	16.8	92.7
2008	74.6	.5	17.6	92.7
2009	73.8	.5	18.4	92.7
2010	73	.5	19.2	92.7
2011	72.2	.5	20	92.7
2012	71.4	.5	20.8	92.7
2013	70.6	.5	21.6	92.7
2014	69.8	.5	22.4	92.7
2015	69	.5	23.2	92.7
2016	68.2	.5	24	92.7
2017	67.4	.5	24.8	92.7
2018	66.6	.5	25.6	92.7
2019	65.8	.5	26.4	92.7
2020	65	.5	27.2	92.7
2021	64.2	.5	28	92.7
2022	63.4	.5	28.8	92.7
2023	62.6	.5	29.6	92.7

14 *Section 217 - Inflation Adjustment*

15 *Except for the amounts provided for audits under sec-*
 16 *tion 212(b), the amounts stated in this Title shall be ad-*

1 *justed for each United States Fiscal Year by the percent*
 2 *that equals two-thirds of the percent change in the United*
 3 *States Gross Domestic Product Implicit Price Deflator, or*
 4 *5 percent, whichever is less in any one year, using the be-*
 5 *ginning of Fiscal Year 2004 as a base.*

6 *Section 218 - Carry-Over of Unused Funds*

7 *If in any year the funds made available by the Govern-*
 8 *ment of the United States for that year pursuant to this*
 9 *Article are not completely obligated by the Government of*
 10 *the Federated States of Micronesia, the unobligated balances*
 11 *shall remain available in addition to the funds to be pro-*
 12 *vided in subsequent years.*

13 *Article II*

14 *Services and Program Assistance*

15 *Section 221*

16 *(a) SERVICES.—The Government of the United States*
 17 *shall make available to the Federated States of Micronesia,*
 18 *in accordance with and to the extent provided in the Fed-*
 19 *eral Programs and Services Agreement referred to in section*
 20 *231, the services and related programs of:*

- 21 *(1) the United States Weather Service;*
 22 *(2) the United States Postal Service;*
 23 *(3) the United States Federal Aviation Adminis-*
 24 *tration;*

1 (4) *the United States Department of Transpor-*
2 *tation;*

3 (5) *the Federal Deposit Insurance Corporation*
4 *(for the benefit only of the Bank of the Federated*
5 *States of Micronesia), and*

6 (6) *the Department of Homeland Security, and*
7 *the United States Agency for International Develop-*
8 *ment, Office of Foreign Disaster Assistance.*

9 *Upon the effective date of this Compact, as amended, the*
10 *United States Departments and Agencies named or having*
11 *responsibility to provide these services and related programs*
12 *shall have the authority to implement the relevant provi-*
13 *sions of the Federal Programs and Services Agreement re-*
14 *ferred to in section 231.*

15 (b) *PROGRAMS.—*

16 (1) *With the exception of the services and pro-*
17 *grams covered by subsection (a) of this section, and*
18 *unless the Congress of the United States provides oth-*
19 *erwise, the Government of the United States shall*
20 *make available to the Federated States of Micronesia*
21 *the services and programs that were available to the*
22 *Federated States of Micronesia on the effective date of*
23 *this Compact, as amended, to the extent that such*
24 *services and programs continue to be available to*
25 *State and local governments of the United States. As*

1 *set forth in the Fiscal Procedures Agreement, funds*
2 *provided under subsection (a) of section 211 will be*
3 *considered to be local revenues of the Government of*
4 *the Federated States of Micronesia when used as the*
5 *local share required to obtain Federal programs and*
6 *services.*

7 *(2) Unless provided otherwise by U.S. law, the*
8 *services and programs described in paragraph (1) of*
9 *this subsection shall be extended in accordance with*
10 *the terms of the Federal Programs and Services*
11 *Agreement referred to in section 231.*

12 *(c) The Government of the United States shall have*
13 *and exercise such authority as is necessary to carry out its*
14 *responsibilities under this Title and the separate agree-*
15 *ments referred to in amended section 231, including the au-*
16 *thority to monitor and administer all service and program*
17 *assistance provided by the United States to the Federated*
18 *States of Micronesia. The Federal Programs and Services*
19 *Agreement referred to in amended section 231 shall also set*
20 *forth the extent to which services and programs shall be pro-*
21 *vided to the Federated States of Micronesia.*

22 *(d) Except as provided elsewhere in this Compact, as*
23 *amended, under any separate agreement entered into under*
24 *this Compact, as amended, or otherwise under U.S. law,*
25 *all Federal domestic programs extended to or operating in*

1 *the Federated States of Micronesia shall be subject to all*
2 *applicable criteria, standards, reporting requirements, au-*
3 *diting procedures, and other rules and regulations applica-*
4 *ble to such programs and services when operating in the*
5 *United States.*

6 *(e) The Government of the United States shall make*
7 *available to the Federated States of Micronesia alternate en-*
8 *ergy development projects, studies, and conservation meas-*
9 *ures to the extent provided for the Freely Associated States*
10 *in the laws of the United States.*

11 *Section 222*

12 *The Government of the United States and the Govern-*
13 *ment of the Federated States of Micronesia may agree from*
14 *time to time to extend to the Federated States of Micronesia*
15 *additional United States grant assistance, services and pro-*
16 *grams, as provided under the laws of the United States.*
17 *Unless inconsistent with such laws, or otherwise specifically*
18 *precluded by the Government of the United States at the*
19 *time such additional grant assistance, services, or programs*
20 *are extended, the Federal Programs and Services Agreement*
21 *referred to section 231 shall apply to any such assistance,*
22 *services or programs.*

23 *Section 223*

24 *The Government of the Federated States of Micronesia*
25 *shall make available to the Government of the United States*

1 *at no cost such land as may be necessary for the operations*
2 *of the services and programs provided pursuant to this Arti-*
3 *cle, and such facilities as are provided by the Government*
4 *of the Federated States of Micronesia at no cost to the Gov-*
5 *ernment of the United States as of the effective date of this*
6 *Compact, as amended, or as may be mutually agreed there-*
7 *after.*

8 *Section 224*

9 *The Government of the Federated States of Micronesia*
10 *may request, from time to time, technical assistance from*
11 *the Federal agencies and institutions of the Government of*
12 *the United States, which are authorized to grant such tech-*
13 *nical assistance in accordance with its laws. If technical*
14 *assistance is granted pursuant to such a request, the Gov-*
15 *ernment of the United States shall provide the technical as-*
16 *sistance in a manner which gives priority consideration to*
17 *the Federated States of Micronesia over other recipients not*
18 *a part of the United States, its territories or possessions,*
19 *and equivalent consideration to the Federated States of Mi-*
20 *cronesia with respect to other states in Free Association*
21 *with the United States. Such assistance shall be made avail-*
22 *able on a reimbursable or non-reimbursable basis to the ex-*
23 *tent provided by United States law.*

1 *Article III*2 *Administrative Provisions*3 *Section 231*

4 *The specific nature, extent and contractual arrange-*
5 *ments of the services and programs provided for in section*
6 *221 of this Compact, as amended, as well as the legal status*
7 *of agencies of the Government of the United States, their*
8 *civilian employees and contractors, and the dependents of*
9 *such personnel while present in the Federated States of Mi-*
10 *cronesia, and other arrangements in connection with the*
11 *assistance, services, or programs furnished by the Govern-*
12 *ment of the United States, are set forth in a Federal Pro-*
13 *grams and Services Agreement which shall come into effect*
14 *simultaneously with this Compact, as amended.*

15 *Section 232*

16 *The Government of the United States, in consultation*
17 *with the Government of the Federated States of Micronesia,*
18 *shall determine and implement procedures for the periodic*
19 *audit of all grants and other assistance made under Article*
20 *I of this Title and of all funds expended for the services*
21 *and programs provided under Article II of this Title. Fur-*
22 *ther, in accordance with the Fiscal Procedures Agreement*
23 *described in subsection (a) of section 211, the Comptroller*
24 *General of the United States shall have such powers and*
25 *authorities as described in sections 102 (c) and 110 (c) of*

1 *Public Law 99–239, 99 Stat. 1777–78, and 99 Stat. 1799*
2 *(January 14, 1986).*

3 *Section 233*

4 *Approval of this Compact, as amended, by the Govern-*
5 *ment of the United States, in accordance with its constitu-*
6 *tional processes, shall constitute a pledge by the United*
7 *States that the sums and amounts specified as sector grants*
8 *in section 211 of this Compact, as amended, shall be appro-*
9 *priated and paid to the Federated States of Micronesia for*
10 *such period as those provisions of this Compact, as amend-*
11 *ed, remain in force, subject to the terms and conditions of*
12 *this Title and related subsidiary agreements.*

13 *Section 234*

14 *The Government of the Federated States of Micronesia*
15 *pledges to cooperate with, permit, and assist if reasonably*
16 *requested, designated and authorized representatives of the*
17 *Government of the United States charged with investigating*
18 *whether Compact funds, or any other assistance authorized*
19 *under this Compact, as amended, have, or are being, used*
20 *for purposes other than those set forth in this Compact, as*
21 *amended, or its subsidiary agreements. In carrying out this*
22 *investigative authority, such United States Government*
23 *representatives may request that the Government of the Fed-*
24 *erated States of Micronesia subpoena documents and*
25 *records and compel testimony in accordance with the laws*

1 *and Constitution of the Federated States of Micronesia.*
2 *Such assistance by the Government of the Federated States*
3 *of Micronesia to the Government of the United States shall*
4 *not be unreasonably withheld. The obligation of the Govern-*
5 *ment of the Federated States of Micronesia to fulfill its*
6 *pledge herein is a condition to its receiving payment of such*
7 *funds or other assistance authorized under this Compact,*
8 *as amended. The Government of the United States shall pay*
9 *any reasonable costs for extraordinary services executed by*
10 *the Government of the Federated States of Micronesia in*
11 *carrying out the provisions of this section.*

12 *Article IV*

13 *Trade*

14 *Section 241*

15 *The Federated States of Micronesia is not included in*
16 *the customs territory of the United States.*

17 *Section 242*

18 *The President shall proclaim the following tariff treat-*
19 *ment for articles imported from the Federated States of Mi-*
20 *cronesia which shall apply during the period of effectiveness*
21 *of this title:*

22 *(a) Unless otherwise excluded, articles imported*
23 *from the Federated States of Micronesia, subject to the*
24 *limitations imposed under section 503(b) of title V of*

1 *the Trade Act of 1974 (19 U.S.C. 2463(b)), shall be*
2 *exempt from duty.*

3 *(b) Only tuna in airtight containers provided for*
4 *in heading 1604.14.22 of the Harmonized Tariff*
5 *Schedule of the United States that is imported from*
6 *the Federated States of Micronesia and the Republic*
7 *of the Marshall Islands during any calendar year not*
8 *to exceed 10 percent of apparent United States con-*
9 *sumption of tuna in airtight containers during the*
10 *immediately preceding calendar year, as reported by*
11 *the National Marine Fisheries Service, shall be ex-*
12 *empt from duty; but the quantity of tuna given duty-*
13 *free treatment under this paragraph for any calendar*
14 *year shall be counted against the aggregated quantity*
15 *of tuna in airtight containers that is dutiable under*
16 *rate column numbered 1 of such heading 1604.14.22*
17 *for that calendar year.*

18 *(c) The duty-free treatment provided under sub-*
19 *section (a) shall not apply to—*

20 *(1) watches, clocks, and timing apparatus*
21 *provided for in Chapter 91, excluding heading*
22 *9113, of the Harmonized Tariff Schedule of the*
23 *United States;*

1 (2) buttons (whether finished or not fin-
2 ished) provided for in items 9606.21.40 and
3 9606.29.20 of such Schedule;

4 (3) textile and apparel articles which are
5 subject to textile agreements; and

6 (4) footwear, handbags, luggage, flat goods,
7 work gloves, and leather wearing apparel which
8 were not eligible articles for purposes of title V
9 of the Trade Act of 1974 (19 U.S.C. 2461, et
10 seq.) on April 1, 1984.

11 (d) If the cost or value of materials produced in
12 the customs territory of the United States is included
13 with respect to an eligible article which is a product
14 of the Federated States of Micronesia, an amount not
15 to exceed 15 percent of the appraised value of the arti-
16 cle at the time it is entered that is attributable to
17 such United States cost or value may be applied for
18 duty assessment purposes toward determining the per-
19 centage referred to in section 503(a)(2) of title V of
20 the Trade Act of 1974.

21 *Section 243*

22 Articles imported from the Federated States of Micro-
23 nesia which are not exempt from duty under subsections
24 (a), (b), (c), and (d) of section 242 shall be subject to the
25 rates of duty set forth in column numbered 1-general of the

1 *Harmonized Tariff Schedule of the United States*
2 *(HTSUS).*

3 *Section 244*

4 (a) *All products of the United States imported into*
5 *the Federated States of Micronesia shall receive treatment*
6 *no less favorable than that accorded like products of any*
7 *foreign country with respect to customs duties or charges*
8 *of a similar nature and with respect to laws and regula-*
9 *tions relating to importation, exportation, taxation, sale,*
10 *distribution, storage or use.*

11 (b) *The provisions of subsection (a) shall not apply*
12 *to advantages accorded by the Federated States of Micro-*
13 *nesia by virtue of their full membership in the Pacific Is-*
14 *land Countries Trade Agreement (PICTA), done on August*
15 *18, 2001, to those governments listed in Article 26 of*
16 *PICTA, as of the date the Compact, as amended, is signed.*

17 (c) *Prior to entering into consultations on, or con-*
18 *cluding, a free trade agreement with governments not listed*
19 *in Article 26 of PICTA, the Federated States of Micronesia*
20 *shall consult with the United States regarding whether or*
21 *how subsection (a) of section 244 shall be applied.*

22

Article V

23

Finance and Taxation

24 *Section 251*

1 *The currency of the United States is the official circu-*
2 *lating legal tender of the Federated States of Micronesia.*
3 *Should the Government of the Federated States of Micro-*
4 *nesia act to institute another currency, the terms of an ap-*
5 *propriate currency transitional period shall be as agreed*
6 *with the Government of the United States.*

7 *Section 252*

8 *The Government of the Federated States of Micronesia*
9 *may, with respect to United States persons, tax income de-*
10 *rived from sources within its respective jurisdiction, prop-*
11 *erty situated therein, including transfers of such property*
12 *by gift or at death, and products consumed therein, in such*
13 *manner as the Government of the Federated States of Micro-*
14 *nesia deems appropriate. The determination of the source*
15 *of any income, or the situs of any property, shall for pur-*
16 *poses of this Compact be made according to the United*
17 *States Internal Revenue Code.*

18 *Section 253*

19 *A citizen of the Federated States of Micronesia, domi-*
20 *ciled therein, shall be exempt from estate, gift, and genera-*
21 *tion-skipping transfer taxes imposed by the Government of*
22 *the United States, provided that such citizen of the Fed-*
23 *erated States of Micronesia is neither a citizen nor a resi-*
24 *dent of the United States.*

25 *Section 254*

1 (a) *In determining any income tax imposed by the*
2 *Government of the Federated States of Micronesia, the Gov-*
3 *ernment of the Federated States of Micronesia shall have*
4 *authority to impose tax upon income derived by a resident*
5 *of the Federated States of Micronesia from sources without*
6 *the Federated States of Micronesia, in the same manner and*
7 *to the same extent as the Government of the Federated*
8 *States of Micronesia imposes tax upon income derived from*
9 *within its own jurisdiction. If the Government of the Fed-*
10 *erated States of Micronesia exercises such authority as pro-*
11 *vided in this subsection, any individual resident of the Fed-*
12 *erated States of Micronesia who is subject to tax by the Gov-*
13 *ernment of the United States on income which is also taxed*
14 *by the Government of the Federated States of Micronesia*
15 *shall be relieved of liability to the Government of the United*
16 *States for the tax which, but for this subsection, would oth-*
17 *erwise be imposed by the Government of the United States*
18 *on such income. However, the relief from liability to the*
19 *United States Government referred to in the preceding sen-*
20 *tence means only relief in the form of the foreign tax credit*
21 *(or deduction in lieu thereof) available with respect to the*
22 *income taxes of a possession of the United States, and relief*
23 *in the form of the exclusion under section 911 of the Inter-*
24 *nal Revenue Code of 1986. For purposes of this section, the*
25 *term “resident of the Federated States of Micronesia” shall*

1 *be deemed to include any person who was physically present*
 2 *in the Federated States of Micronesia for a period of 183*
 3 *or more days during any taxable year.*

4 *(b) If the Government of the Federated States of Micro-*
 5 *nesia subjects income to taxation substantially similar to*
 6 *that imposed by the Trust Territory Code in effect on Janu-*
 7 *ary 1, 1980, such Government shall be deemed to have exer-*
 8 *cised the authority described in section 254(a).*

9 *Section 255*

10 *For purposes of section 274(h)(3)(A) of the United*
 11 *States Internal Revenue Code of 1986, the term “North*
 12 *American Area” shall include the Federated States of Mi-*
 13 *cronesia.*

14 *TITLE THREE*

15 *SECURITY AND DEFENSE RELATIONS*

16 *Article I*

17 *Authority and Responsibility*

18 *Section 311*

19 *(a) The Government of the United States has full au-*
 20 *thority and responsibility for security and defense matters*
 21 *in or relating to the Federated States of Micronesia.*

22 *(b) This authority and responsibility includes:*

23 *(1) the obligation to defend the Federated States*
 24 *of Micronesia and its people from attack or threats*

1 *thereof as the United States and its citizens are de-*
2 *fended;*

3 (2) *the option to foreclose access to or use of the*
4 *Federated States of Micronesia by military personnel*
5 *or for the military purposes of any third country;*
6 *and*

7 (3) *the option to establish and use military areas*
8 *and facilities in the Federated States of Micronesia,*
9 *subject to the terms of the separate agreements re-*
10 *ferred to in sections 321 and 323.*

11 (c) *The Government of the United States confirms that*
12 *it shall act in accordance with the principles of inter-*
13 *national law and the Charter of the United Nations in the*
14 *exercise of this authority and responsibility.*

15 Section 312

16 *Subject to the terms of any agreements negotiated in*
17 *accordance with sections 321 and 323, the Government of*
18 *the United States may conduct within the lands, waters and*
19 *airspace of the Federated States of Micronesia the activities*
20 *and operations necessary for the exercise of its authority*
21 *and responsibility under this Title.*

22 Section 313

23 (a) *The Government of the Federated States of Micro-*
24 *nesia shall refrain from actions that the Government of the*
25 *United States determines, after appropriate consultation*

1 *with that Government, to be incompatible with its authority*
2 *and responsibility for security and defense matters in or*
3 *relating to the Federated States of Micronesia.*

4 (b) *The consultations referred to in this section shall*
5 *be conducted expeditiously at senior levels of the two Gov-*
6 *ernments, and the subsequent determination by the Govern-*
7 *ment of the United States referred to in this section shall*
8 *be made only at senior interagency levels of the Government*
9 *of the United States.*

10 (c) *The Government of the Federated States of Micro-*
11 *nesia shall be afforded, on an expeditious basis, an oppor-*
12 *tunity to raise its concerns with the United States Sec-*
13 *retary of State personally and the United States Secretary*
14 *of Defense personally regarding any determination made*
15 *in accordance with this section.*

16 *Section 314*

17 (a) *Unless otherwise agreed, the Government of the*
18 *United States shall not, in the Federated States of Micro-*
19 *nesia:*

20 (1) *test by detonation or dispose of any nuclear*
21 *weapon, nor test, dispose of, or discharge any toxic*
22 *chemical or biological weapon; or*

23 (2) *test, dispose of, or discharge any other radio-*
24 *active, toxic chemical or biological materials in an*

1 *amount or manner which would be hazardous to pub-*
2 *lic health or safety.*

3 *(b) Unless otherwise agreed, other than for transit or*
4 *overflight purposes or during time of a national emergency*
5 *declared by the President of the United States, a state of*
6 *war declared by the Congress of the United States or as*
7 *necessary to defend against an actual or impending armed*
8 *attack on the United States, the Federated States of Micro-*
9 *nesia or the Republic of the Marshall Islands, the Govern-*
10 *ment of the United States shall not store in the Federated*
11 *States of Micronesia or the Republic of the Marshall Islands*
12 *any toxic chemical weapon, nor any radioactive materials*
13 *nor any toxic chemical materials intended for weapons use.*

14 *(c) Radioactive, toxic chemical, or biological materials*
15 *not intended for weapons use shall not be affected by section*
16 *314(b).*

17 *(d) No material or substance referred to in this section*
18 *shall be stored in the Federated States of Micronesia except*
19 *in an amount and manner which would not be hazardous*
20 *to public health or safety. In determining what shall be an*
21 *amount or manner which would be hazardous to public*
22 *health or safety under this section, the Government of the*
23 *United States shall comply with any applicable mutual*
24 *agreement, international guidelines accepted by the Govern-*

1 *ment of the United States, and the laws of the United States*
2 *and their implementing regulations.*

3 *(e) Any exercise of the exemption authority set forth*
4 *in section 161(e) shall have no effect on the obligations of*
5 *the Government of the United States under this section or*
6 *on the application of this subsection.*

7 *(f) The provisions of this section shall apply in the*
8 *areas in which the Government of the Federated States of*
9 *Micronesia exercises jurisdiction over the living resources*
10 *of the seabed, subsoil or water column adjacent to its coasts.*

11 *Section 315*

12 *The Government of the United States may invite mem-*
13 *bers of the armed forces of other countries to use military*
14 *areas and facilities in the Federated States of Micronesia,*
15 *in conjunction with and under the control of United States*
16 *Armed Forces. Use by units of the armed forces of other*
17 *countries of such military areas and facilities, other than*
18 *for transit and overflight purposes, shall be subject to con-*
19 *sultation with and, in the case of major units, approval*
20 *of the Government of the Federated States of Micronesia.*

21 *Section 316*

22 *The authority and responsibility of the Government of*
23 *the United States under this Title may not be transferred*
24 *or otherwise assigned.*

*Article II**Defense Facilities and Operating Rights**Section 321*

1
2
3
4 (a) *Specific arrangements for the establishment and*
5 *use by the Government of the United States of military*
6 *areas and facilities in the Federated States of Micronesia*
7 *are set forth in separate agreements, which shall remain*
8 *in effect in accordance with the terms of such agreements.*

9 (b) *If, in the exercise of its authority and responsibility*
10 *under this Title, the Government of the United States re-*
11 *quires the use of areas within the Federated States of Micro-*
12 *nesia in addition to those for which specific arrangements*
13 *are concluded pursuant to section 321(a), it may request*
14 *the Government of the Federated States of Micronesia to*
15 *satisfy those requirements through leases or other arrange-*
16 *ments. The Government of the Federated States of Micro-*
17 *nesia shall sympathetically consider any such request and*
18 *shall establish suitable procedures to discuss it with and*
19 *provide a prompt response to the Government of the United*
20 *States.*

21 (c) *The Government of the United States recognizes*
22 *and respects the scarcity and special importance of land*
23 *in the Federated States of Micronesia. In making any re-*
24 *quests pursuant to section 321(b), the Government of the*
25 *United States shall follow the policy of requesting the min-*

1 *imum area necessary to accomplish the required security*
2 *and defense purpose, of requesting only the minimum inter-*
3 *est in real property necessary to support such purpose, and*
4 *of requesting first to satisfy its requirement through public*
5 *real property, where available, rather than through private*
6 *real property.*

7 *Section 322*

8 *The Government of the United States shall provide and*
9 *maintain fixed and floating aids to navigation in the Fed-*
10 *erated States of Micronesia at least to the extent necessary*
11 *for the exercise of its authority and responsibility under*
12 *this Title.*

13 *Section 323*

14 *The military operating rights of the Government of the*
15 *United States and the legal status and contractual arrange-*
16 *ments of the United States Armed Forces, their members,*
17 *and associated civilians, while present in the Federated*
18 *States of Micronesia are set forth in separate agreements,*
19 *which shall remain in effect in accordance with the terms*
20 *of such agreements.*

21 *Article III*

22 *Defense Treaties and International Security Agreements*

23 *Section 331*

24 *Subject to the terms of this Compact, as amended, and*
25 *its related agreements, the Government of the United States,*

1 *that no time shall count towards this one year while a per-*
 2 *son admitted to the United States under the Compact, or*
 3 *the Compact, as amended, is engaged in full-time study in*
 4 *the United States. Any person described in section*
 5 *141(a)(5) who is not a citizen of the Federated States of*
 6 *Micronesia shall be subject to United States laws relating*
 7 *to selective service.*

8 *Section 342*

9 *The Government of the United States shall have en-*
 10 *rolled, at any one time, at least one qualified student from*
 11 *the Federated States of Micronesia, as may be nominated*
 12 *by the Government of the Federated States of Micronesia,*
 13 *in each of:*

14 *(a) The United States Coast Guard Academy pursuant*
 15 *to 14 U.S.C. 195.*

16 *(b) The United States Merchant Marine Academy pur-*
 17 *suant to 46 U.S.C. 1295(b)(6), provided that the provisions*
 18 *of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enroll-*
 19 *ment of students pursuant to section 342(b) of this Com-*
 20 *pact, as amended.*

21 *Article V*

22 *General Provisions*

23 *Section 351*

24 *(a) The Government of the United States and the Gov-*
 25 *ernment of the Federated States of Micronesia shall con-*

1 *tinue to maintain a Joint Committee empowered to con-*
2 *sider disputes arising under the implementation of this*
3 *Title and its related agreements.*

4 *(b) The membership of the Joint Committee shall com-*
5 *prise selected senior officials of the two Governments. The*
6 *senior United States military commander in the Pacific*
7 *area shall be the senior United States member of the Joint*
8 *Committee. For the meetings of the Joint Committee, each*
9 *of the two Governments may designate additional or alter-*
10 *nate representatives as appropriate for the subject matter*
11 *under consideration.*

12 *(c) Unless otherwise mutually agreed, the Joint Com-*
13 *mittee shall meet annually at a time and place to be des-*
14 *ignated, after appropriate consultation, by the Government*
15 *of the United States. The Joint Committee also shall meet*
16 *promptly upon request of either of its members. The Joint*
17 *Committee shall follow such procedures, including the estab-*
18 *lishment of functional subcommittees, as the members may*
19 *from time to time agree. Upon notification by the Govern-*
20 *ment of the United States, the Joint Committee of the*
21 *United States and the Federated States of Micronesia shall*
22 *meet promptly in a combined session with the Joint Com-*
23 *mittee established and maintained by the Government of*
24 *the United States and the Republic of the Marshall Islands*

1 *to consider matters within the jurisdiction of the two Joint*
2 *Committees.*

3 *(d) Unresolved issues in the Joint Committee shall be*
4 *referred to the Governments for resolution, and the Govern-*
5 *ment of the Federated States of Micronesia shall be afforded,*
6 *on an expeditious basis, an opportunity to raise its con-*
7 *cerns with the United States Secretary of Defense person-*
8 *ally regarding any unresolved issue which threatens its con-*
9 *tinued association with the Government of the United*
10 *States.*

11 *Section 352*

12 *In the exercise of its authority and responsibility*
13 *under Title Three, the Government of the United States*
14 *shall accord due respect to the authority and responsibility*
15 *of the Government of the Federated States of Micronesia*
16 *under Titles One, Two and Four and to the responsibility*
17 *of the Government of the Federated States of Micronesia to*
18 *assure the well-being of its people.*

19 *Section 353*

20 *(a) The Government of the United States shall not in-*
21 *clude the Government of the Federated States of Micronesia*
22 *as a named party to a formal declaration of war, without*
23 *that Government's consent.*

24 *(b) Absent such consent, this Compact, as amended, is*
25 *without prejudice, on the ground of belligerence or the exist-*

1 *ence of a state of war, to any claims for damages which*
2 *are advanced by the citizens, nationals or Government of*
3 *the Federated States of Micronesia, which arise out of*
4 *armed conflict subsequent to November 3, 1986, and which*
5 *are:*

6 (1) *petitions to the Government of the United*
7 *States for redress; or*

8 (2) *claims in any manner against the govern-*
9 *ment, citizens, nationals or entities of any third*
10 *country.*

11 (c) *Petitions under section 353(b)(1) shall be treated*
12 *as if they were made by citizens of the United States.*

13 *Section 354*

14 (a) *The Government of the United States and the Gov-*
15 *ernment of the Federated States of Micronesia are jointly*
16 *committed to continue their security and defense relations,*
17 *as set forth in this Title. Accordingly, it is the intention*
18 *of the two countries that the provisions of this Title shall*
19 *remain binding as long as this Compact, as amended, re-*
20 *mains in effect, and thereafter as mutually agreed, unless*
21 *earlier terminated by mutual agreement pursuant to section*
22 *441, or amended pursuant to Article III of Title Four. If*
23 *at any time the Government of the United States, or the*
24 *Government of the Federated States of Micronesia, acting*
25 *unilaterally, terminates this Title, such unilateral termi-*

1 *nation shall be considered to be termination of the entire*
2 *Compact, in which case the provisions of section 442 and*
3 *452 (in the case of termination by the Government of the*
4 *United States) or sections 443 and 453 (in the case of ter-*
5 *mination by the Government of the Federated States of Mi-*
6 *cronesia), with the exception of paragraph (3) of subsection*
7 *(a) of section 452 or paragraph (3) of subsection (a) of sec-*
8 *tion 453, as the case may be, shall apply.*

9 *(b) The Government of the United States recognizes,*
10 *in view of the special relationship between the Government*
11 *of the United States and the Government of the Federated*
12 *States of Micronesia, and in view of the existence of the*
13 *separate agreement regarding mutual security concluded*
14 *with the Government of the Federated States of Micronesia*
15 *pursuant to sections 321 and 323, that, even if this Title*
16 *should terminate, any attack on the Federated States of Mi-*
17 *cronesia during the period in which such separate agree-*
18 *ment is in effect, would constitute a threat to the peace and*
19 *security of the entire region and a danger to the United*
20 *States. In the event of such an attack, the Government of*
21 *the United States would take action to meet the danger to*
22 *the United States and to the Federated States of Micronesia*
23 *in accordance with its constitutional processes.*

24 *(c) As reflected in Article 21(1)(b) of the Trust Fund*
25 *Agreement, the Government of the United States and the*

1 *Government of the Federated States of Micronesia further*
2 *recognize, in view of the special relationship between their*
3 *countries, that even if this Title should terminate, the Gov-*
4 *ernment of the Federated States of Micronesia shall refrain*
5 *from actions which the Government of the United States*
6 *determines, after appropriate consultation with that Gov-*
7 *ernment, to be incompatible with its authority and respon-*
8 *sibility for security and defense matters in or relating to*
9 *the Federated States of Micronesia or the Republic of the*
10 *Marshall Islands.*

11 *TITLE FOUR*

12 *GENERAL PROVISIONS*

13 *Article I*

14 *Approval and Effective Date*

15 *Section 411*

16 *Pursuant to section 432 of the Compact and subject*
17 *to subsection (e) of section 461 of the Compact, as amended,*
18 *the Compact, as amended, shall come into effect upon mu-*
19 *tual agreement between the Government of the United*
20 *States and the Government of the Federated States of Micro-*
21 *nesia subsequent to completion of the following:*

22 *(a) Approval by the Government of the Federated*
23 *States of Micronesia in accordance with its constitu-*
24 *tional processes.*

1 *Section 424*

2 *Should a dispute be referred to arbitration as provided*
3 *for in section 423, an Arbitration Board shall be established*
4 *for the purpose of hearing the dispute and rendering a deci-*
5 *sion which shall be binding upon the two parties to the dis-*
6 *pute unless the two parties mutually agree that the decision*
7 *shall be advisory. Arbitration shall occur according to the*
8 *following terms:*

9 *(a) An Arbitration Board shall consist of a*
10 *Chairman and two other members, each of whom*
11 *shall be a citizen of a party to the dispute. Each of*
12 *the two Governments which is a party to the dispute*
13 *shall appoint one member to the Arbitration Board.*
14 *If either party to the dispute does not fulfill the ap-*
15 *pointment requirements of this section within 30 days*
16 *of referral of the dispute to arbitration pursuant to*
17 *section 423, its member on the Arbitration Board*
18 *shall be selected from its own standing list by the*
19 *other party to the dispute. Each Government shall*
20 *maintain a standing list of 10 candidates. The par-*
21 *ties to the dispute shall jointly appoint a Chairman*
22 *within 15 days after selection of the other members of*
23 *the Arbitration Board. Failing agreement on a Chair-*
24 *man, the Chairman shall be chosen by lot from the*

1 *standing lists of the parties to the dispute within 5*
2 *days after such failure.*

3 *(b) Unless otherwise provided in this Compact,*
4 *as amended, or its related agreements, the Arbitration*
5 *Board shall have jurisdiction to hear and render its*
6 *final determination on all disputes arising exclusively*
7 *under Articles I, II, III, IV and V of Title One, Title*
8 *Two, Title Four, and their related agreements.*

9 *(c) Each member of the Arbitration Board shall*
10 *have one vote. Each decision of the Arbitration Board*
11 *shall be reached by majority vote.*

12 *(d) In determining any legal issue, the Arbitra-*
13 *tion Board may have reference to international law*
14 *and, in such reference, shall apply as guidelines the*
15 *provisions set forth in Article 38 of the Statute of the*
16 *International Court of Justice.*

17 *(e) The Arbitration Board shall adopt such rules*
18 *for its proceedings as it may deem appropriate and*
19 *necessary, but such rules shall not contravene the pro-*
20 *visions of this Compact, as amended. Unless the par-*
21 *ties provide otherwise by mutual agreement, the Arbi-*
22 *tration Board shall endeavor to render its decision*
23 *within 30 days after the conclusion of arguments. The*
24 *Arbitration Board shall make findings of fact and*
25 *conclusions of law and its members may issue dis-*

1 *Section 442*

2 *Subject to section 452, this Compact, as amended, may*
3 *be terminated by the Government of the United States in*
4 *accordance with its constitutional processes. Such termi-*
5 *nation shall be effective on the date specified in the notice*
6 *of termination by the Government of the United States but*
7 *not earlier than six months following delivery of such no-*
8 *tice. The time specified in the notice of termination may*
9 *be extended. Such termination of this Compact, as amended,*
10 *shall be without prejudice to the continued application of*
11 *section 452 of this Compact, as amended, and the provisions*
12 *of the Compact, as amended, set forth therein.*

13 *Section 443*

14 *This Compact, as amended, shall be terminated by the*
15 *Government of the Federated States of Micronesia, pursuant*
16 *to its constitutional processes, subject to section 453 if the*
17 *people represented by that Government vote in a plebiscite*
18 *to terminate the Compact, as amended, or by another proc-*
19 *ess permitted by the FSM constitution and mutually agreed*
20 *between the Governments of the United States and the Fed-*
21 *erated States of Micronesia. The Government of the Fed-*
22 *erated States of Micronesia shall notify the Government of*
23 *the United States of its intention to call such a plebiscite,*
24 *or to pursue another mutually agreed and constitutional*
25 *process, which plebiscite or process shall take place not ear-*

1 *lier than three months after delivery of such notice. The*
 2 *plebiscite or other process shall be administered by the Gov-*
 3 *ernment of the Federated States of Micronesia in accord-*
 4 *ance with its constitutional and legislative processes. If a*
 5 *majority of the valid ballots cast in the plebiscite or other*
 6 *process favors termination, the Government of the Federated*
 7 *States of Micronesia shall, upon certification of the results*
 8 *of the plebiscite or other process, give notice of termination*
 9 *to the Government of the United States, such termination*
 10 *to be effective on the date specified in such notice but not*
 11 *earlier than three months following the date of delivery of*
 12 *such notice. The time specified in the notice of termination*
 13 *may be extended.*

14 *Article V*

15 *Survivability*

16 *Section 451*

17 *(a) Should termination occur pursuant to section 441,*
 18 *economic and other assistance by the Government of the*
 19 *United States shall continue only if and as mutually agreed*
 20 *by the Governments of the United States and the Federated*
 21 *States of Micronesia, and in accordance with the parties'*
 22 *respective constitutional processes.*

23 *(b) In view of the special relationship of the United*
 24 *States and the Federated States of Micronesia, as reflected*
 25 *in subsections (b) and (c) of section 354 of this Compact,*

1 *as amended, and the separate agreement entered into con-*
2 *sistent with those subsections, if termination occurs pursu-*
3 *ant to section 441 prior to the twentieth anniversary of the*
4 *effective date of this Compact, as amended, the United*
5 *States shall continue to make contributions to the Trust*
6 *Fund described in section 215 of this Compact, as amended.*

7 (c) *In view of the special relationship of the United*
8 *States and the Federated States of Micronesia described in*
9 *subsection (b) of this section, if termination occurs pursu-*
10 *ant to section 441 following the twentieth anniversary of*
11 *the effective date of this Compact, as amended, the Fed-*
12 *erated States of Micronesia shall be entitled to receive pro-*
13 *ceeds from the Trust Fund described in section 215 of this*
14 *Compact, as amended, in the manner described in those*
15 *provisions and the Trust Fund Agreement governing the*
16 *distribution of such proceeds.*

17 *Section 452*

18 (a) *Should termination occur pursuant to section 442*
19 *prior to the twentieth anniversary of the effective date of*
20 *this Compact, as amended, the following provisions of this*
21 *Compact, as amended, shall remain in full force and effect*
22 *until the twentieth anniversary of the effective date of this*
23 *Compact, as amended, and thereafter as mutually agreed:*

24 (1) *Article VI and sections 172, 173, 176 and*
25 *177 of Title One;*

1 (2) *Sections 232 and 234 of Title Two;*

2 (3) *Title Three; and*

3 (4) *Articles II, III, V and VI of Title Four.*

4 (b) *Should termination occur pursuant to section 442*
5 *before the twentieth anniversary of the effective date of the*
6 *Compact, as amended:*

7 (1) *Except as provided in paragraph (2) of this*
8 *subsection and subsection (c) of this section, economic*
9 *and other assistance by the United States shall con-*
10 *tinue only if and as mutually agreed by the Govern-*
11 *ments of the United States and the Federated States*
12 *of Micronesia.*

13 (2) *In view of the special relationship of the*
14 *United States and the Federated States of Micronesia,*
15 *as reflected in subsections (b) and (c) of section 354*
16 *of this Compact, as amended, and the separate agree-*
17 *ment regarding mutual security, and the Trust Fund*
18 *Agreement, the United States shall continue to make*
19 *contributions to the Trust Fund described in section*
20 *215 of this Compact, as amended, in the manner de-*
21 *scribed in the Trust Fund Agreement.*

22 (c) *In view of the special relationship of the United*
23 *States and the Federated States of Micronesia, as reflected*
24 *in subsections 354(b) and (c) of this Compact, as amended,*
25 *and the separate agreement regarding mutual security, and*

1 *the Trust Fund Agreement, if termination occurs pursuant*
2 *to section 442 following the twentieth anniversary of the*
3 *effective date of this Compact, as amended, the Federated*
4 *States of Micronesia shall continue to be eligible to receive*
5 *proceeds from the Trust Fund described in section 215 of*
6 *this Compact, as amended, in the manner described in those*
7 *provisions and the Trust Fund Agreement.*

8 *Section 453*

9 *(a) Should termination occur pursuant to section 443*
10 *prior to the twentieth anniversary of the effective date of*
11 *this Compact, as amended, the following provisions of this*
12 *Compact, as amended, shall remain in full force and effect*
13 *until the twentieth anniversary of the effective date of this*
14 *Compact, as amended, and thereafter as mutually agreed:*

15 *(1) Article VI and sections 172, 173, 176 and*

16 *177 of Title One;*

17 *(2) Sections 232 and 234 of Title Two;*

18 *(3) Title Three; and*

19 *(4) Articles II, III, V and VI of Title Four.*

20 *(b) Upon receipt of notice of termination pursuant to*
21 *section 443, the Government of the United States and the*
22 *Government of the Federated States of Micronesia shall*
23 *promptly consult with regard to their future relationship.*
24 *Except as provided in subsection (c) and (d) of this section,*
25 *these consultations shall determine the level of economic and*

1 *other assistance, if any, which the Government of the*
2 *United States shall provide to the Government of the Fed-*
3 *erated States of Micronesia for the period ending on the*
4 *twentieth anniversary of the effective date of this Compact,*
5 *as amended, and for any period thereafter, if mutually*
6 *agreed.*

7 (c) *In view of the special relationship of the United*
8 *States and the Federated States of Micronesia, as reflected*
9 *in subsections 354(b) and (c) of this Compact, as amended,*
10 *and the separate agreement regarding mutual security, and*
11 *the Trust Fund Agreement, if termination occurs pursuant*
12 *to section 443 prior to the twentieth anniversary of the effec-*
13 *tive date of this Compact, as amended, the United States*
14 *shall continue to make contributions to the Trust Fund de-*
15 *scribed in section 215 of this Compact, as amended, in the*
16 *manner described in the Trust Fund Agreement.*

17 (d) *In view of the special relationship of the United*
18 *States and the Federated States of Micronesia, as reflected*
19 *in subsections 354(b) and (c) of this Compact, as amended,*
20 *and the separate agreement regarding mutual security, and*
21 *the Trust Fund Agreement, if termination occurs pursuant*
22 *to section 443 following the twentieth anniversary of the*
23 *effective date of this Compact, as amended, the Federated*
24 *States of Micronesia shall continue to be eligible to receive*
25 *proceeds from the Trust Fund described in section 215 of*

1 *this Compact, as amended, in the manner described in those*
2 *provisions and the Trust Fund Agreement.*

3 *Section 454*

4 *Notwithstanding any other provision of this Compact,*
5 *as amended:*

6 *(a) The Government of the United States reaffirms its continuing interest in promoting the economic advancement and budgetary self-reliance of the people of the Federated States of Micronesia.*

10 *(b) The separate agreements referred to in Article II of Title Three shall remain in effect in accordance with their terms.*

13 *Article VI*

14 *Definition of Terms*

15 *Section 461*

16 *For the purpose of this Compact, as amended, only, and without prejudice to the views of the Government of the United States or the Government of the Federated States of Micronesia as to the nature and extent of the jurisdiction of either of them under international law, the following terms shall have the following meanings:*

22 *(a) “Trust Territory of the Pacific Islands” means the area established in the Trusteeship Agreement consisting of the former administrative districts of Kosrae, Yap, Ponape, the Marshall Islands and*

1 *Truk as described in Title One, Trust Territory Code,*
2 *section 1, in force on January 1, 1979. This term*
3 *does not include the area of Palau or the Northern*
4 *Mariana Islands.*

5 (b) “*Trusteeship Agreement*” means the agree-
6 *ment setting forth the terms of trusteeship for the*
7 *Trust Territory of the Pacific Islands, approved by*
8 *the Security Council of the United Nations April 2,*
9 *1947, and by the United States July 18, 1947, en-*
10 *tered into force July 18, 1947, 61 Stat. 3301, T.I.A.S.*
11 *1665, 8 U.N.T.S. 189.*

12 (c) “*The Federated States of Micronesia*” and
13 *“the Republic of the Marshall Islands” are used in a*
14 *geographic sense and include the land and water*
15 *areas to the outer limits of the territorial sea and the*
16 *air space above such areas as now or hereafter recog-*
17 *nized by the Government of the United States.*

18 (d) “*Compact*” means the *Compact of Free Asso-*
19 *ciation Between the United States and the Federated*
20 *States of Micronesia and the Marshall Islands, that*
21 *was approved by the United States Congress in sec-*
22 *tion 201 of Public Law 99–239 (Jan. 14, 1986) and*
23 *went into effect with respect to the Federated States*
24 *of Micronesia on November 3, 1986.*

1 (e) “Compact, as amended” means the Compact
2 of Free Association Between the United States and
3 the Federated States of Micronesia, as amended. The
4 effective date of the Compact, as amended, shall be on
5 a date to be determined by the President of the United
6 States, and agreed to by the Government of the Fed-
7 erated States of Micronesia, following formal ap-
8 proval of the Compact, as amended, in accordance
9 with section 411 of this Compact, as amended.

10 (f) “Government of the Federated States of Mi-
11 cronnesia” means the Government established and or-
12 ganized by the Constitution of the Federated States of
13 Micronesia including all the political subdivisions
14 and entities comprising that Government.

15 (g) “Government of the Republic of the Marshall
16 Islands” means the Government established and orga-
17 nized by the Constitution of the Republic of the Mar-
18 shall Islands including all the political subdivisions
19 and entities comprising that Government.

20 (h) The following terms shall be defined con-
21 sistent with the 1998 Edition of the Radio Regula-
22 tions of the International Telecommunications Union
23 as follows:

24 (1) “Radiocommunication” means tele-
25 communication by means of radio waves.

1 (2) “Station” means one or more transmit-
2 ters or receivers or a combination of transmitters
3 and receivers, including the accessory equipment,
4 necessary at one location for carrying on a
5 radiocommunication service, or the radio astron-
6 omy service.

7 (3) “Broadcasting Service” means a
8 radiocommunication service in which the trans-
9 missions are intended for direct reception by the
10 general public. This service may include sound
11 transmissions, television transmissions or other
12 types of transmission.

13 (4) “Broadcasting Station” means a station
14 in the broadcasting service.

15 (5) “Assignment (of a radio frequency or
16 radio frequency channel)” means an authoriza-
17 tion given by an administration for a radio sta-
18 tion to use a radio frequency or radio frequency
19 channel under specified conditions.

20 (6) “Telecommunication” means any trans-
21 mission, emission or reception of signs, signals,
22 writings, images and sounds or intelligence of
23 any nature by wire, radio, optical or other elec-
24 tromagnetic systems.

1 (i) “*Military Areas and Facilities*” means those
 2 *areas and facilities in the Federated States of Micro-*
 3 *nesia reserved or acquired by the Government of the*
 4 *Federated States of Micronesia for use by the Govern-*
 5 *ment of the United States, as set forth in the separate*
 6 *agreements referred to in section 321.*

7 (j) “*Tariff Schedules of the United States*”
 8 *means the Tariff Schedules of the United States as*
 9 *amended from time to time and as promulgated pur-*
 10 *suant to United States law and includes the Tariff*
 11 *Schedules of the United States Annotated (TSUSA),*
 12 *as amended.*

13 (k) “*Vienna Convention on Diplomatic Rela-*
 14 *tions*” means the *Vienna Convention on Diplomatic*
 15 *Relations, done April 18, 1961, 23 U.S.T. 3227,*
 16 *T.I.A.S. 7502, 500 U.N.T.S. 95.*

17 *Section 462*

18 (a) *The Government of the United States and the Gov-*
 19 *ernment of the Federated States of Micronesia previously*
 20 *have concluded agreements pursuant to the Compact, which*
 21 *shall remain in effect and shall survive in accordance with*
 22 *their terms, as follows:*

23 (1) *Agreement Concluded Pursuant to Section*
 24 *234 of the Compact;*

1 (2) *Agreement Between the Government of the*
2 *United States and the Government of the Federated*
3 *States of Micronesia Regarding Friendship, Coopera-*
4 *tion and Mutual Security Concluded Pursuant to*
5 *Sections 321 and 323 of the Compact of Free Associa-*
6 *tion; and*

7 (3) *Agreement between the Government of the*
8 *United States of America and the Federated States of*
9 *Micronesia Regarding Aspects of the Marine Sov-*
10 *ereignty and Jurisdiction of the Federated States of*
11 *Micronesia.*

12 (b) *The Government of the United States and the Gov-*
13 *ernment of the Federated States of Micronesia shall con-*
14 *clude prior to the date of submission of this Compact, as*
15 *amended, to the legislatures of the two countries, the fol-*
16 *lowing related agreements which shall come into effect on*
17 *the effective date of this Compact, as amended, and shall*
18 *survive in accordance with their terms, as follows:*

19 (1) *Federal Programs and Services Agreement*
20 *Between the Government of the United States of*
21 *America and the Government of the Federated States*
22 *of Micronesia Concluded Pursuant to Article III of*
23 *Title One, Article II of Title Two (including Section*
24 *222), and Section 231 of the Compact of Free Asso-*
25 *ciation, as amended which includes:*

- 1 (i) *Postal Services and Related Programs;*
2 (ii) *Weather Services and Related Pro-*
3 *grams;*
4 (iii) *Civil Aviation Safety Service and Re-*
5 *lated Programs;*
6 (iv) *Civil Aviation Economic Services and*
7 *Related Programs;*
8 (v) *United States Disaster Preparedness*
9 *and Response Services and Related Programs;*
10 (vi) *Federal Deposit Insurance Corporation*
11 *Services and Related Programs; and*
12 (vii) *Telecommunications Services and Re-*
13 *lated Programs.*
- 14 (2) *Agreement Between the Government of the*
15 *United States of America and the Government of the*
16 *Federated States of Micronesia on Extradition, Mu-*
17 *tual Assistance in Law Enforcement Matters and*
18 *Penal Sanctions Concluded Pursuant to Section*
19 *175(a) of the Compact of Free Association, as amend-*
20 *ed;*
- 21 (3) *Agreement Between the Government of the*
22 *United States of America and the Government of the*
23 *Federated States of Micronesia on Labor Recruitment*
24 *Concluded Pursuant to Section 175(b) of the Compact*
25 *of Free Association, as amended;*

1 (4) *Agreement Concerning Procedures for the Im-*
2 *plementation of United States Economic Assistance*
3 *Provided in the Compact of Free Association, as*
4 *Amended, of Free Association Between the Govern-*
5 *ment of the United States of America and Govern-*
6 *ment of the Federated States of Micronesia;*

7 (5) *Agreement Between the Government of the*
8 *United States of America and the Government of the*
9 *Federated States of Micronesia Implementing Section*
10 *215 and Section 216 of the Compact, as Amended,*
11 *Regarding a Trust Fund;*

12 (6) *Agreement Regarding the Military Use and*
13 *Operating Rights of the Government of the United*
14 *States in the Federated States of Micronesia Con-*
15 *cluded Pursuant to Sections 211(b), 321 and 323 of*
16 *the Compact of Free Association, as Amended; and*
17 *the*

18 (7) *Status of Forces Agreement Between the Gov-*
19 *ernment of the United States of America and the Gov-*
20 *ernment of the Federated States of Micronesia Con-*
21 *cluded Pursuant to Section 323 of the Compact of*
22 *Free Association, as Amended.*

23 *Section 463*

24 (a) *Except as set forth in subsection (b) of this section,*
25 *any reference in this Compact, as amended, to a provision*

1 *Compact, as amended, or in the case of subsection (d) of*
 2 *section 141, as soon as reasonably possible thereafter.*

3 *Section 472*

4 *This Compact, as amended, may be accepted, by signa-*
 5 *ture or otherwise, by the Government of the United States*
 6 *and the Government of the Federated States of Micronesia.*

7 *IN WITNESS WHEREOF, the undersigned, duly au-*
 8 *thorized, have signed this Compact of Free Association, as*
 9 *amended, which shall enter into force upon the exchange*
 10 *of diplomatic notes by which the Government of the United*
 11 *States of America and the Government of the Federated*
 12 *States of Micronesia inform each other about the fulfillment*
 13 *of their respective requirements for entry into force.*

14 *DONE at Pohnpei, Federated States of Micronesia, in*
 15 *duplicate, this fourteenth (14) day of May, 2003, each text*
 16 *being equally authentic.*

Signed (May 14, 2003)
For the Government of the
United States of America:

Signed (May 14, 2003)
For the Government of the
Federated States of
Micronesia:

17 *(b) COMPACT OF FREE ASSOCIATION, AS AMENDED,*
 18 *BETWEEN THE GOVERNMENT OF THE UNITED STATES OF*
 19 *AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF*
 20 *THE MARSHALL ISLANDS.—The Compact of Free Associa-*
 21 *tion, as amended, between the Government of the United*
 22 *States of America and the Government of the Republic of*
 23 *the Marshall Islands is as follows:*

1

PREAMBLE

2 *THE GOVERNMENT OF THE UNITED STATES OF*
3 *AMERICA AND THE GOVERNMENT OF THE*
4 *REPUBLIC OF THE MARSHALL ISLANDS*

5 *Affirming that their Governments and their relation-*
6 *ship as Governments are founded upon respect for human*
7 *rights and fundamental freedoms for all, and that the people*
8 *of the Republic of the Marshall Islands have the right to*
9 *enjoy self-government; and*

10 *Affirming the common interests of the United States*
11 *of America and the Republic of the Marshall Islands in cre-*
12 *ating and maintaining their close and mutually beneficial*
13 *relationship through the free and voluntary association of*
14 *their respective Governments; and*

15 *Affirming the interest of the Government of the United*
16 *States in promoting the economic advancement and budg-*
17 *etary self-reliance of the Republic of the Marshall Islands;*
18 *and*

19 *Recognizing that their relationship until the entry into*
20 *force on October 21, 1986 of the Compact was based upon*
21 *the International Trusteeship System of the United Nations*
22 *Charter, and in particular Article 76 of the Charter; and*
23 *that pursuant to Article 76 of the Charter, the people of*
24 *the Republic of the Marshall Islands have progressively de-*
25 *veloped their institutions of self-government, and that in*

1 *the exercise of their sovereign right to self-determination*
2 *they, through their freely-expressed wishes, have adopted a*
3 *Constitution appropriate to their particular circumstances;*
4 *and*

5 *Recognizing that the Compact reflected their common*
6 *desire to terminate the Trusteeship and establish a govern-*
7 *ment-to-government relationship which was in accordance*
8 *with the new political status based on the freely expressed*
9 *wishes of the people of the Republic of the Marshall Islands*
10 *and appropriate to their particular circumstances; and*

11 *Recognizing that the people of the Republic of the Mar-*
12 *shall Islands have and retain their sovereignty and their*
13 *sovereign right to self-determination and the inherent right*
14 *to adopt and amend their own Constitution and form of*
15 *government and that the approval of the entry of the Gov-*
16 *ernment of the Republic of the Marshall Islands into the*
17 *Compact by the people of the Republic of the Marshall Is-*
18 *lands constituted an exercise of their sovereign right to self-*
19 *determination; and*

20 *Recognizing the common desire of the people of the*
21 *United States and the people of the Republic of the Marshall*
22 *Islands to maintain their close government-to-government*
23 *relationship, the United States and the Republic of the Mar-*
24 *shall Islands:*

1 (a) *The Government of the Republic of the Marshall*
2 *Islands has the capacity to conduct foreign affairs and shall*
3 *do so in its own name and right, except as otherwise pro-*
4 *vided in this Compact, as amended.*

5 (b) *The foreign affairs capacity of the Government of*
6 *the Republic of the Marshall Islands includes:*

7 (1) *the conduct of foreign affairs relating to law*
8 *of the sea and marine resources matters, including the*
9 *harvesting, conservation, exploration or exploitation*
10 *of living and non-living resources from the sea, seabed*
11 *or subsoil to the full extent recognized under inter-*
12 *national law;*

13 (2) *the conduct of its commercial, diplomatic,*
14 *consular, economic, trade, banking, postal, civil avia-*
15 *tion, communications, and cultural relations, includ-*
16 *ing negotiations for the receipt of developmental loans*
17 *and grants and the conclusion of arrangements with*
18 *other governments and international and intergovern-*
19 *mental organizations, including any matters specially*
20 *benefiting its individual citizens.*

21 (c) *The Government of the United States recognizes*
22 *that the Government of the Republic of the Marshall Islands*
23 *has the capacity to enter into, in its own name and right,*
24 *treaties and other international agreements with govern-*
25 *ments and regional and international organizations.*

1 (d) *In the conduct of its foreign affairs, the Govern-*
2 *ment of the Republic of the Marshall Islands confirms that*
3 *it shall act in accordance with principles of international*
4 *law and shall settle its international disputes by peaceful*
5 *means.*

6 *Section 122*

7 *The Government of the United States shall support ap-*
8 *plications by the Government of the Republic of the Mar-*
9 *shall Islands for membership or other participation in re-*
10 *gional or international organizations as may be mutually*
11 *agreed.*

12 *Section 123*

13 (a) *In recognition of the authority and responsibility*
14 *of the Government of the United States under Title Three,*
15 *the Government of the Republic of the Marshall Islands*
16 *shall consult, in the conduct of its foreign affairs, with the*
17 *Government of the United States.*

18 (b) *In recognition of the foreign affairs capacity of the*
19 *Government of the Republic of the Marshall Islands, the*
20 *Government of the United States, in the conduct of its for-*
21 *eign affairs, shall consult with the Government of the Re-*
22 *public of the Marshall Islands on matters that the Govern-*
23 *ment of the United States regards as relating to or affecting*
24 *the Government of the Republic of the Marshall Islands.*

25 *Section 124*

1 *The Government of the United States may assist or*
2 *act on behalf of the Government of the Republic of the Mar-*
3 *shall Islands in the area of foreign affairs as may be re-*
4 *quested and mutually agreed from time to time. The Gov-*
5 *ernment of the United States shall not be responsible to*
6 *third parties for the actions of the Government of the Re-*
7 *public of the Marshall Islands undertaken with the assist-*
8 *ance or through the agency of the Government of the United*
9 *States pursuant to this section unless expressly agreed.*

10 *Section 125*

11 *The Government of the United States shall not be re-*
12 *sponsible for nor obligated by any actions taken by the Gov-*
13 *ernment of the Republic of the Marshall Islands in the area*
14 *of foreign affairs, except as may from time to time be ex-*
15 *pressly agreed.*

16 *Section 126*

17 *At the request of the Government of the Republic of*
18 *the Marshall Islands and subject to the consent of the receiv-*
19 *ing state, the Government of the United States shall extend*
20 *consular assistance on the same basis as for citizens of the*
21 *United States to citizens of the Republic of the Marshall*
22 *Islands for travel outside the Republic of the Marshall Is-*
23 *lands, the United States and its territories and possessions.*

24 *Section 127*

1 *mains a citizen of the Republic of the Marshall Is-*
2 *lands;*

3 (2) *a person who acquires the citizenship of the*
4 *Republic of the Marshall Islands at birth, on or after*
5 *the effective date of the Constitution of the Republic*
6 *of the Marshall Islands;*

7 (3) *an immediate relative of a person referred to*
8 *in paragraphs (1) or (2) of this section, provided that*
9 *such immediate relative is a naturalized citizen of the*
10 *Republic of the Marshall Islands who has been an ac-*
11 *tual resident there for not less than five years after*
12 *attaining such naturalization and who holds a certifi-*
13 *cate of actual residence, and further provided, that, in*
14 *the case of a spouse, such spouse has been married to*
15 *the person referred to in paragraph (1) or (2) of this*
16 *section for at least five years, and further provided,*
17 *that the Government of the United States is satisfied*
18 *that such naturalized citizen meets the requirement of*
19 *subsection (b) of section 104 of Public Law 99–239 as*
20 *it was in effect on the day prior to the effective date*
21 *of this Compact, as amended;*

22 (4) *a naturalized citizen of the Republic of the*
23 *Marshall Islands who was an actual resident there for*
24 *not less than five years after attaining such natu-*
25 *ralization and who satisfied these requirements as of*

1 *April 30, 2003, who continues to be an actual resi-*
2 *dent and holds a certificate of actual residence, and*
3 *whose name is included in a list furnished by the*
4 *Government of the Republic of the Marshall Islands to*
5 *the Government of the United States no later than the*
6 *effective date of the Compact, as amended, in form*
7 *and content acceptable to the Government of the*
8 *United States, provided, that the Government of the*
9 *United States is satisfied that such naturalized cit-*
10 *izen meets the requirement of subsection (b) of section*
11 *104 of Public Law 99–239 as it was in effect on the*
12 *day prior to the effective date of this Compact, as*
13 *amended; or*

14 *(5) an immediate relative of a citizen of the Re-*
15 *public of the Marshall Islands, regardless of the imme-*
16 *diat relative’s country of citizenship or period of res-*
17 *idence in the Republic of the Marshall Islands, if the*
18 *citizen of the Republic of the Marshall Islands is serv-*
19 *ing on active duty in any branch of the United States*
20 *Armed Forces, or in the active reserves.*

21 *(b) Notwithstanding subsection (a) of this section, a*
22 *person who is coming to the United States pursuant to an*
23 *adoption outside the United States, or for the purpose of*
24 *adoption in the United States, is ineligible for admission*
25 *under the Compact and the Compact, as amended. This sub-*

1 *section shall apply to any person who is or was an appli-*
2 *cant for admission to the United States on or after March*
3 *1, 2003, including any applicant for admission in removal*
4 *proceedings (including appellate proceedings) on or after*
5 *March 1, 2003, regardless of the date such proceedings were*
6 *commenced. This subsection shall have no effect on the abil-*
7 *ity of the Government of the United States or any United*
8 *States State or local government to commence or otherwise*
9 *take any action against any person or entity who has vio-*
10 *lated any law relating to the adoption of any person.*

11 *(c) Notwithstanding subsection (a) of this section, no*
12 *person who has been or is granted citizenship in the Repub-*
13 *lic of the Marshall Islands, or has been or is issued a Repub-*
14 *lic of the Marshall Islands passport pursuant to any invest-*
15 *ment, passport sale, or similar program has been or shall*
16 *be eligible for admission to the United States under the*
17 *Compact or the Compact, as amended.*

18 *(d) A person admitted to the United States under the*
19 *Compact, or the Compact, as amended, shall be considered*
20 *to have the permission of the Government of the United*
21 *States to accept employment in the United States. An unex-*
22 *pired Republic of the Marshall Islands passport with unex-*
23 *pired documentation issued by the Government of the*
24 *United States evidencing admission under the Compact or*
25 *the Compact, as amended, shall be considered to be docu-*

1 *mentation establishing identity and employment authoriza-*
 2 *tion under section 274A(b)(1)(B) of the Immigration and*
 3 *Nationality Act, as amended, 8 U.S.C. 1324a(b)(1)(B). The*
 4 *Government of the United States will take reasonable and*
 5 *appropriate steps to implement and publicize this provi-*
 6 *sion, and the Government of the Republic of the Marshall*
 7 *Islands will also take reasonable and appropriate steps to*
 8 *publicize this provision.*

9 *(e) For purposes of the Compact and the Compact, as*
 10 *amended:*

11 *(1) the term “residence” with respect to a person*
 12 *means the person’s principal, actual dwelling place in*
 13 *fact, without regard to intent, as provided in section*
 14 *101(a)(33) of the Immigration and Nationality Act,*
 15 *as amended, 8 U.S.C. 1101(a)(33), and variations of*
 16 *the term “residence,” including “resident” and “re-*
 17 *side,” shall be similarly construed;*

18 *(2) the term “actual residence” means physical*
 19 *presence in the Republic of the Marshall Islands dur-*
 20 *ing eighty-five percent of the five-year period of resi-*
 21 *dency required by section 141(a)(3) and (4);*

22 *(3) the term “certificate of actual residence”*
 23 *means a certificate issued to a naturalized citizen by*
 24 *the Government of the Republic of the Marshall Is-*
 25 *lands stating that the citizen has complied with the*

1 *actual residence requirement of section 141(a)(3) or*
2 *(4);*

3 *(4) the term “nonimmigrant” means an alien*
4 *who is not an “immigrant” as defined in section*
5 *101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and*

6 *(5) the term “immediate relative” means a*
7 *spouse, or unmarried son or unmarried daughter less*
8 *than 21 years of age.*

9 *(f) The Immigration and Nationality Act, as amended,*
10 *shall apply to any person admitted or seeking admission*
11 *to the United States (other than a United States possession*
12 *or territory where such Act does not apply) under the Com-*
13 *pact or the Compact, as amended, and nothing in the Com-*
14 *pact or the Compact, as amended, shall be construed to*
15 *limit, preclude, or modify the applicability of, with respect*
16 *to such person:*

17 *(1) any ground of inadmissibility or deport-*
18 *ability under such Act (except sections 212(a)(5) and*
19 *212(a)(7)(B)(i)(II) of such Act, as provided in sub-*
20 *section (a) of this section), and any defense thereto,*
21 *provided that, section 237(a)(5) of such Act shall be*
22 *construed and applied as if it reads as follows: “any*
23 *alien who has been admitted under the Compact, or*
24 *the Compact, as amended, who cannot show that he*

1 *or she has sufficient means of support in the United*
2 *States, is deportable;”*

3 *(2) the authority of the Government of the*
4 *United States under section 214(a)(1) of such Act to*
5 *provide that admission as a nonimmigrant shall be*
6 *for such time and under such conditions as the Gov-*
7 *ernment of the United States may by regulations pre-*
8 *scribe;*

9 *(3) except for the treatment of certain docu-*
10 *mentation for purposes of section 274A(b)(1)(B) of*
11 *such Act as provided by subsection (d) of this section*
12 *of the Compact, as amended, any requirement under*
13 *section 274A, including but not limited to section*
14 *274A(b)(1)(E);*

15 *(4) section 643 of the Illegal Immigration Re-*
16 *form and Immigrant Responsibility Act of 1996, Pub-*
17 *lic Law 104–208, and actions taken pursuant to sec-*
18 *tion 643; and*

19 *(5) the authority of the Government of the*
20 *United States otherwise to administer and enforce the*
21 *Immigration and Nationality Act, as amended, or*
22 *other United States law.*

23 *(g) Any authority possessed by the Government of the*
24 *United States under this section of the Compact or the Com-*
25 *pact, as amended, may also be exercised by the Government*

1 of a territory or possession of the United States where the
2 Immigration and Nationality Act, as amended, does not
3 apply, to the extent such exercise of authority is lawful
4 under a statute or regulation of such territory or possession
5 that is authorized by the laws of the United States.

6 (h) Subsection (a) of this section does not confer on
7 a citizen of the Republic of the Marshall Islands the right
8 to establish the residence necessary for naturalization under
9 the Immigration and Nationality Act, as amended, or to
10 petition for benefits for alien relatives under that Act. Sub-
11 section (a) of this section, however, shall not prevent a cit-
12 izen of the Republic of the Marshall Islands from otherwise
13 acquiring such rights or lawful permanent resident alien
14 status in the United States.

15 Section 142

16 (a) Any citizen or national of the United States may
17 be admitted to lawfully engage in occupations, and reside
18 in the Republic of the Marshall Islands, subject to the rights
19 of the Government of the Republic of the Marshall Islands
20 to deny entry to or deport any such citizen or national as
21 an undesirable alien. Any determination of inadmissibility
22 or deportability shall be based on reasonable statutory
23 grounds and shall be subject to appropriate administrative
24 and judicial review within the Republic of the Marshall Is-
25 lands. If a citizen or national of the United States is a

1 *spouse of a citizen of the Republic of the Marshall Islands,*
2 *the Government of the Republic of the Marshall Islands*
3 *shall allow the United States citizen spouse to establish resi-*
4 *dence. Should the Republic of the Marshall Islands citizen*
5 *spouse predecease the United States citizen spouse during*
6 *the marriage, the Government of the Republic of the Mar-*
7 *shall Islands shall allow the United States citizen spouse*
8 *to continue to reside in the Republic of the Marshall Is-*
9 *lands.*

10 *(b) In enacting any laws or imposing any require-*
11 *ments with respect to citizens and nationals of the United*
12 *States entering the Republic of the Marshall Islands under*
13 *subsection (a) of this section, including any grounds of in-*
14 *admissibility or deportability, the Government of the Re-*
15 *public of the Marshall Islands shall accord to such citizens*
16 *and nationals of the United States treatment no less favor-*
17 *able than that accorded to citizens of other countries.*

18 *(c) Consistent with subsection (a) of this section, with*
19 *respect to citizens and nationals of the United States seek-*
20 *ing to engage in employment or invest in the Republic of*
21 *the Marshall Islands, the Government of the Republic of the*
22 *Marshall Islands shall adopt immigration-related proce-*
23 *dures no less favorable than those adopted by the Govern-*
24 *ment of the United States with respect to citizens of the*

1 *Republic of the Marshall Islands seeking employment in the*
2 *United States.*

3 *Section 143*

4 *Any person who relinquishes, or otherwise loses, his*
5 *United States nationality or citizenship, or his Republic*
6 *of the Marshall Islands citizenship, shall be ineligible to re-*
7 *ceive the privileges set forth in sections 141 and 142. Any*
8 *such person may apply for admission to the United States*
9 *or the Republic of the Marshall Islands, as the case may*
10 *be, in accordance with any other applicable laws of the*
11 *United States or the Republic of the Marshall Islands relat-*
12 *ing to immigration of aliens from other countries. The laws*
13 *of the Republic of the Marshall Islands or the United States,*
14 *as the case may be, shall dictate the terms and conditions*
15 *of any such person's stay.*

16 *Article V*

17 *Representation*

18 *Section 151*

19 *Relations between the Government of the United States*
20 *and the Government of the Republic of the Marshall Islands*
21 *shall be conducted in accordance with the Vienna Conven-*
22 *tion on Diplomatic Relations. In addition to diplomatic*
23 *missions and representation, the Governments may estab-*
24 *lish and maintain other offices and designate other rep-*

1 *representatives on terms and in locations as may be mutually*
2 *agreed.*

3 *Section 152*

4 *(a) Any citizen or national of the United States who,*
5 *without authority of the United States, acts as the agent*
6 *of the Government of the Republic of the Marshall Islands*
7 *with regard to matters specified in the provisions of the*
8 *Foreign Agents Registration Act of 1938, as amended (22*
9 *U.S.C. 611 et seq.), that apply with respect to an agent*
10 *of a foreign principal shall be subject to the requirements*
11 *of such Act. Failure to comply with such requirements shall*
12 *subject such citizen or national to the same penalties and*
13 *provisions of law as apply in the case of the failure of such*
14 *an agent of a foreign principal to comply with such require-*
15 *ments. For purposes of the Foreign Agents Registration Act*
16 *of 1938, the Republic of the Marshall Islands shall be con-*
17 *sidered to be a foreign country.*

18 *(b) Subsection (a) of this section shall not apply to*
19 *a citizen or national of the United States employed by the*
20 *Government of the Republic of the Marshall Islands with*
21 *respect to whom the Government of the Republic of the Mar-*
22 *shall Islands from time to time certifies to the Government*
23 *of the United States that such citizen or national is an em-*
24 *ployee of the Republic of the Marshall Islands whose prin-*
25 *cipal duties are other than those matters specified in the*

1 *Foreign Agents Registration Act of 1938, as amended, that*
2 *apply with respect to an agent of a foreign principal. The*
3 *agency or officer of the United States receiving such certifi-*
4 *cations shall cause them to be filed with the Attorney Gen-*
5 *eral, who shall maintain a publicly available list of the per-*
6 *sons so certified.*

7 *Article VI*

8 *Environmental Protection*

9 *Section 161*

10 *The Governments of the United States and the Repub-*
11 *lic of the Marshall Islands declare that it is their policy*
12 *to promote efforts to prevent or eliminate damage to the*
13 *environment and biosphere and to enrich understanding of*
14 *the natural resources of the Republic of the Marshall Is-*
15 *lands. In order to carry out this policy, the Government*
16 *of the United States and the Government of the Republic*
17 *of the Marshall Islands agree to the following mutual and*
18 *reciprocal undertakings:*

19 *(a) The Government of the United States:*

20 *(1) shall, for its activities controlled by the*
21 *U.S. Army at Kwajalein Atoll and in the Mid-*
22 *Atoll Corridor and for U.S. Army Kwajalein*
23 *Atoll activities in the Republic of the Marshall*
24 *Islands, continue to apply the Environmental*
25 *Standards and Procedures for United States*

1 *Army Kwajalein Atoll Activities in the Republic*
2 *of the Marshall Islands, unless and until those*
3 *Standards or Procedures are modified by mutual*
4 *agreement of the Governments of the United*
5 *States and the Republic of the Marshall Islands;*

6 (2) *shall apply the National Environmental*
7 *Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321*
8 *et seq., to its activities under the Compact, as*
9 *amended, and its related agreements as if the*
10 *Republic of the Marshall Islands were the United*
11 *States;*

12 (3) *in the conduct of any activity not de-*
13 *scribed in section 161(a)(1) requiring the prepa-*
14 *ration of an Environmental Impact Statement*
15 *under section 161(a)(2), shall comply with*
16 *standards substantively similar to those required*
17 *by the following laws of the United States, tak-*
18 *ing into account the particular environment of*
19 *the Republic of the Marshall Islands; the Endan-*
20 *gered Species Act of 1973, as amended, 16*
21 *U.S.C. 1531 et seq.; the Clean Air Act, as*
22 *amended, 42 U.S.C. 7401 et seq.; the Clean*
23 *Water Act (Federal Water Pollution Control*
24 *Act), as amended, 33 U.S.C. 1251 et seq.; Title*
25 *I of the Marine Protection, Research and Sanc-*

1 *tuaries Act of 1972 (the Ocean Dumping Act),*
2 *33 U.S.C. 1411 et seq.; the Toxic Substances*
3 *Control Act, as amended, 15 U.S.C. 2601 et seq.;*
4 *the Solid Waste Disposal Act, as amended, 42*
5 *U.S.C. 6901 et seq.; and such other environ-*
6 *mental protection laws of the United States and*
7 *the Republic of the Marshall Islands as may be*
8 *agreed from time to time with the Government of*
9 *the Republic of the Marshall Islands;*

10 *(4) shall, prior to conducting any activity*
11 *not described in section 161(a)(1) requiring the*
12 *preparation of an Environmental Impact State-*
13 *ment under section 161(a)(2), develop, as agreed*
14 *with the Government of the Republic of the Mar-*
15 *shall Islands, written environmental standards*
16 *and procedures to implement the substantive*
17 *provisions of the laws made applicable to U.S.*
18 *Government activities in the Republic of the*
19 *Marshall Islands, pursuant to section 161(a)(3).*

20 *(b) The Government of the Republic of the Mar-*
21 *shall Islands shall continue to develop and implement*
22 *standards and procedures to protect its environment.*
23 *As a reciprocal obligation to the undertakings of the*
24 *Government of the United States under this Article,*
25 *the Republic of the Marshall Islands, taking into ac-*

1 *count its particular environment, shall continue to*
2 *develop and implement standards for environmental*
3 *protection substantively similar to those required of*
4 *the Government of the United States by section*
5 *161(a)(3) prior to its conducting activities in the Re-*
6 *public of the Marshall Islands, substantively equiva-*
7 *lent to activities conducted there by the Government*
8 *of the United States and, as a further reciprocal obli-*
9 *gation, shall enforce those standards.*

10 *(c) Section 161(a), including any standard or*
11 *procedure applicable thereunder, and section 161(b)*
12 *may be modified or superseded in whole or in part*
13 *by agreement of the Government of the United States*
14 *and the Government of the Republic of the Marshall*
15 *Islands.*

16 *(d) In the event that an Environmental Impact*
17 *Statement is no longer required under the laws of the*
18 *United States for major Federal actions significantly*
19 *affecting the quality of the human environment, the*
20 *regulatory regime established under sections 161(a)(3)*
21 *and 161(a)(4) shall continue to apply to such activi-*
22 *ties of the Government of the United States until*
23 *amended by mutual agreement.*

24 *(e) The President of the United States may ex-*
25 *empt any of the activities of the Government of the*

1 *United States under this Compact, as amended, and*
2 *its related agreements from any environmental stand-*
3 *ard or procedure which may be applicable under sec-*
4 *tions 161(a)(3) and 161(a)(4) if the President deter-*
5 *mines it to be in the paramount interest of the Gov-*
6 *ernment of the United States to do so, consistent with*
7 *Title Three of this Compact, as amended, and the ob-*
8 *ligations of the Government of the United States*
9 *under international law. Prior to any decision pursu-*
10 *ant to this subsection, the views of the Government of*
11 *the Republic of the Marshall Islands shall be sought*
12 *and considered to the extent practicable. If the Presi-*
13 *dent grants such an exemption, to the extent prac-*
14 *ticable, a report with his reasons for granting such*
15 *exemption shall be given promptly to the Government*
16 *of the Republic of the Marshall Islands.*

17 *(f) The laws of the United States referred to in*
18 *section 161(a)(3) shall apply to the activities of the*
19 *Government of the United States under this Compact,*
20 *as amended, and its related agreements only to the ex-*
21 *tent provided for in this section.*

22 *Section 162*

23 *The Government of the Republic of the Marshall Is-*
24 *lands may bring an action for judicial review of any ad-*
25 *ministrative agency action or any activity of the Govern-*

1 *ment of the United States pursuant to section 161(a) for*
2 *enforcement of the obligations of the Government of the*
3 *United States arising thereunder. The United States Dis-*
4 *trict Court for the District of Hawaii and the United States*
5 *District Court for the District of Columbia shall have juris-*
6 *isdiction over such action or activity, and over actions*
7 *brought under section 172(b) which relate to the activities*
8 *of the Government of the United States and its officers and*
9 *employees, governed by section 161, provided that:*

10 *(a) Such actions may only be civil actions for*
11 *any appropriate civil relief other than punitive dam-*
12 *ages against the Government of the United States or,*
13 *where required by law, its officers in their official ca-*
14 *capacity; no criminal actions may arise under this sec-*
15 *tion.*

16 *(b) Actions brought pursuant to this section may*
17 *be initiated only by the Government of the Republic*
18 *of the Marshall Islands.*

19 *(c) Administrative agency actions arising under*
20 *section 161 shall be reviewed pursuant to the stand-*
21 *ard of judicial review set forth in 5 U.S.C. 706.*

22 *(d) The United States District Court for the Dis-*
23 *trict of Hawaii and the United States District Court*
24 *for the District of Columbia shall have jurisdiction to*
25 *issue all necessary processes, and the Government of*

1 *the United States agrees to submit itself to the juris-*
2 *isdiction of the court; decisions of the United States*
3 *District Court shall be reviewable in the United*
4 *States Court of Appeals for the Ninth Circuit or the*
5 *United States Court of Appeals for the District of Co-*
6 *lumbia, respectively, or in the United States Supreme*
7 *Court as provided by the laws of the United States.*

8 *(e) The judicial remedy provided for in this sec-*
9 *tion shall be the exclusive remedy for the judicial re-*
10 *view or enforcement of the obligations of the Govern-*
11 *ment of the United States under this Article and ac-*
12 *tions brought under section 172(b), which relate to the*
13 *activities of the Government of the United States and*
14 *its officers and employees governed by section 161.*

15 *(f) In actions pursuant to this section, the Gov-*
16 *ernment of the Republic of the Marshall Islands shall*
17 *be treated as if it were a United States citizen.*

18 *Section 163*

19 *(a) For the purpose of gathering data necessary to*
20 *study the environmental effects of activities of the Govern-*
21 *ment of the United States subject to the requirements of this*
22 *Article, the Government of the Republic of the Marshall Is-*
23 *lands shall be granted access to facilities operated by the*
24 *Government of the United States in the Republic of the*
25 *Marshall Islands, to the extent necessary for this purpose,*

1 *by virtue of the Trusteeship Agreement ceased with respect*
2 *to the Marshall Islands on October 21, 1986, the date the*
3 *Compact went into effect.*

4 *Section 172*

5 *(a) Every citizen of the Republic of the Marshall Is-*
6 *lands who is not a resident of the United States shall enjoy*
7 *the rights and remedies under the laws of the United States*
8 *enjoyed by any non-resident alien.*

9 *(b) The Government of the Republic of the Marshall*
10 *Islands and every citizen of the Republic of the Marshall*
11 *Islands shall be considered to be a “person” within the*
12 *meaning of the Freedom of Information Act, 5 U.S.C. 552,*
13 *and of the judicial review provisions of the Administrative*
14 *Procedure Act, 5 U.S.C. 701–706, except that only the Gov-*
15 *ernment of the Republic of the Marshall Islands may seek*
16 *judicial review under the Administrative Procedure Act or*
17 *judicial enforcement under the Freedom of Information Act*
18 *when such judicial review or enforcement relates to the ac-*
19 *tivities of the Government of the United States governed by*
20 *sections 161 and 162.*

21 *Section 173*

22 *The Governments of the United States and the Repub-*
23 *lic of the Marshall Islands agree to adopt and enforce such*
24 *measures, consistent with this Compact, as amended, and*
25 *its related agreements, as may be necessary to protect the*

1 *personnel, property, installations, services, programs and*
2 *official archives and documents maintained by the Govern-*
3 *ment of the United States in the Republic of the Marshall*
4 *Islands pursuant to this Compact, as amended, and its re-*
5 *lated agreements and by the Government of the Republic*
6 *of the Marshall Islands in the United States pursuant to*
7 *this Compact, Compact, as amended, and its related agree-*
8 *ments.*

9 *Section 174*

10 *Except as otherwise provided in this Compact, as*
11 *amended, and its related agreements:*

12 *(a) The Government of the Republic of the Mar-*
13 *shall Islands, and its agencies and officials, shall be*
14 *immune from the jurisdiction of the court of the*
15 *United States, and the Government of the United*
16 *States, and its agencies and officials, shall be immune*
17 *from the jurisdiction of the courts of the Republic of*
18 *the Marshall Islands.*

19 *(b) The Government of the United States accepts*
20 *responsibility for and shall pay:*

21 *(1) any unpaid money judgment rendered*
22 *by the High Court of the Trust Territory of the*
23 *Pacific Islands against the Government of the*
24 *United States with regard to any cause of action*
25 *arising as a result of acts or omissions of the*

1 *Government of the Trust Territory of the Pacific*
2 *Islands or the Government of the United States*
3 *prior to October 21, 1986;*

4 (2) *any claim settled by the claimant and*
5 *the Government of the Trust Territory of the Pa-*
6 *cific Islands but not paid as of October 21, 1986;*
7 *and*

8 (3) *settlement of any administrative claim*
9 *or of any action before a court of the Trust Ter-*
10 *ritory of the Pacific Islands or the Government*
11 *of the United States, arising as a result of acts*
12 *or omissions of the Government of the Trust Ter-*
13 *ritory of the Pacific Islands or the Government*
14 *of the United States.*

15 (c) *Any claim not referred to in section 174(b)*
16 *and arising from an act or omission of the Govern-*
17 *ment of the Trust Territory of the Pacific Islands or*
18 *the Government of the United States prior to the effec-*
19 *tive date of the Compact shall be adjudicated in the*
20 *same manner as a claim adjudicated according to sec-*
21 *tion 174(d). In any claim against the Government of*
22 *the Trust Territory of the Pacific Islands, the Govern-*
23 *ment of the United States shall stand in the place of*
24 *the Government of the Trust Territory of the Pacific*
25 *Islands. A judgment on any claim referred to in sec-*

1 *tion 174(b) or this subsection, not otherwise satisfied*
2 *by the Government of the United States, may be pre-*
3 *sented for certification to the United States Court of*
4 *Appeals for the Federal Circuit, or its successor*
5 *courts, which shall have jurisdiction therefore, not-*
6 *withstanding the provisions of 28 U.S.C. 1502, and*
7 *which court's decisions shall be reviewable as provided*
8 *by the laws of the United States. The United States*
9 *Court of Appeals for the Federal Circuit shall certify*
10 *such judgment, and order payment thereof, unless it*
11 *finds, after a hearing, that such judgment is mani-*
12 *festly erroneous as to law or fact, or manifestly exces-*
13 *sive. In either of such cases the United States Court*
14 *of Appeals for the Federal Circuit shall have jurisdic-*
15 *tion to modify such judgment.*

16 *(d) The Government of the Republic of the Mar-*
17 *shall Islands shall not be immune from the jurisdic-*
18 *tion of the courts of the United States, and the Gov-*
19 *ernment of the United States shall not be immune*
20 *from the jurisdiction of the courts of the Republic of*
21 *the Marshall Islands in any civil case in which an*
22 *exception to foreign state immunity is set forth in the*
23 *Foreign Sovereign Immunities Act (28 U.S.C. 1602 et*
24 *seq.) or its successor statutes.*

25 *Section 175*

1 (a) *A separate agreement, which shall come into effect*
2 *simultaneously with this Compact, as amended, and shall*
3 *have the force of law, shall govern mutual assistance and*
4 *cooperation in law enforcement matters, including the pur-*
5 *suit, capture, imprisonment and extradition of fugitives*
6 *from justice and the transfer of prisoners, as well as other*
7 *law enforcement matters. In the United States, the laws of*
8 *the United States governing international extradition, in-*
9 *cluding 18 U.S.C. 3184, 3186, and 3188–95, shall be appli-*
10 *cable to the extradition of fugitives under the separate*
11 *agreement, and the laws of the United States governing the*
12 *transfer of prisoners, including 18 U.S.C. 4100–15, shall*
13 *be applicable to the transfer of prisoners under the separate*
14 *agreement; and*

15 (b) *A separate agreement, which shall come into effect*
16 *simultaneously with this Compact, as amended, and shall*
17 *have the force of law, shall govern requirements relating to*
18 *labor recruitment practices, including registration, report-*
19 *ing, suspension or revocation of authorization to recruit*
20 *persons for employment in the United States, and enforce-*
21 *ment for violations of such requirements.*

22 *Section 176*

23 *The Government of the Republic of the Marshall Is-*
24 *lands confirms that final judgments in civil cases rendered*
25 *by any court of the Trust Territory of the Pacific Islands*

1 *shall continue in full force and effect, subject to the constitu-*
2 *tional power of the courts of the Republic of the Marshall*
3 *Islands to grant relief from judgments in appropriate cases.*

4 *Section 177*

5 *Section 177 of the Compact entered into force with re-*
6 *spect to the Marshall Islands on October 21, 1986 as follows:*

7 *“(a) The Government of the United States ac-*
8 *cepts the responsibility for compensation owing to*
9 *citizens of the Marshall Islands, or the Federated*
10 *States of Micronesia, (or Palau) for loss or damage*
11 *to property and person of the citizens of the Marshall*
12 *Islands, or the Federated States of Micronesia, result-*
13 *ing from the nuclear testing program which the Gov-*
14 *ernment of the United States conducted in the North-*
15 *ern Marshall Islands between June 30, 1946, and Au-*
16 *gust 18, 1958.*

17 *“(b) The Government of the United States and*
18 *the Government of the Marshall Islands shall set forth*
19 *in a separate agreement provisions for the just and*
20 *adequate settlement of all such claims which have*
21 *arisen in regard to the Marshall Islands and its citi-*
22 *zens and which have not as yet been compensated or*
23 *which in the future may arise, for the continued ad-*
24 *ministration by the Government of the United States*
25 *of direct radiation related medical surveillance and*

1 *treatment programs and radiological monitoring ac-*
2 *tivities and for such additional programs and activi-*
3 *ties as may be mutually agreed, and for the assump-*
4 *tion by the Government of the Marshall Islands of re-*
5 *sponsibility for enforcement of limitations on the uti-*
6 *lization of affected areas developed in cooperation*
7 *with the Government of the United States and for the*
8 *assistance by the Government of the United States in*
9 *the exercise of such responsibility as may be mutually*
10 *agreed. This separate agreement shall come into effect*
11 *simultaneously with this Compact and shall remain*
12 *in effect in accordance with its own terms.*

13 *“(c) The Government of the United States shall*
14 *provide to the Government of the Marshall Islands, on*
15 *a grant basis, the amount of \$150 million to be paid*
16 *and distributed in accordance with the separate*
17 *agreement referred to in this Section, and shall pro-*
18 *vide the services and programs set forth in this sepa-*
19 *rate agreement, the language of which is incorporated*
20 *into this Compact.”*

21 *The Compact, as amended, makes no changes to, and has*
22 *no effect upon, Section 177 of the Compact, nor does the*
23 *Compact, as amended, change or affect the separate agree-*
24 *ment referred to in Section 177 of the Compact including*

1 *Articles IX and X of that separate agreement, and measures*
2 *taken by the parties thereunder.*

3 *Section 178*

4 *(a) The Federal agencies of the Government of the*
5 *United States that provide services and related programs*
6 *in the Republic of the Marshall Islands pursuant to Title*
7 *Two are authorized to settle and pay tort claims arising*
8 *in the Republic of the Marshall Islands from the activities*
9 *of such agencies or from the acts or omissions of the employ-*
10 *ees of such agencies. Except as provided in section 178(b),*
11 *the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall*
12 *apply exclusively to such administrative settlements and*
13 *payments.*

14 *(b) Claims under section 178(a) that cannot be settled*
15 *under section 178(a) shall be disposed of exclusively in ac-*
16 *cordance with Article II of Title Four. Arbitration awards*
17 *rendered pursuant to this subsection shall be paid out of*
18 *funds under 31 U.S.C. 1304.*

19 *(c) The Government of the United States and the Gov-*
20 *ernment of the Republic of the Marshall Islands shall, in*
21 *the separate agreement referred to in section 231, provide*
22 *for:*

23 *(1) the administrative settlement of claims re-*
24 *ferred to in section 178(a), including designation of*
25 *local agents in each State of the Republic of the Mar-*

1 *shall Islands; such agents to be empowered to accept,*
2 *investigate and settle such claims, in a timely man-*
3 *ner, as provided in such separate agreements; and*

4 (2) *arbitration, referred to in section 178(b), in*
5 *a timely manner, at a site convenient to the claim-*
6 *ant, in the event a claim is not otherwise settled pur-*
7 *suant to section 178(a).*

8 (d) *The provisions of section 174(d) shall not apply*
9 *to claims covered by this section.*

10 (e) *Except as otherwise explicitly provided by law of*
11 *the United States, this Compact, as amended, or its related*
12 *agreements, neither the Government of the United States,*
13 *its instrumentalities, nor any person acting on behalf of*
14 *the Government of the United States, shall be named a*
15 *party in any action based on, or arising out of, the activity*
16 *or activities of a recipient of any grant or other assistance*
17 *provided by the Government of the United States (or the*
18 *activity or activities of the recipient's agency or any other*
19 *person or entity acting on behalf of the recipient).*

20 *Section 179*

21 (a) *The courts of the Republic of the Marshall Islands*
22 *shall not exercise criminal jurisdiction over the Government*
23 *of the United States, or its instrumentalities.*

24 (b) *The courts of the Republic of the Marshall Islands*
25 *shall not exercise criminal jurisdiction over any person if*

1 *the Government of the United States provides notification*
 2 *to the Government of the Republic of the Marshall Islands*
 3 *that such person was acting on behalf of the Government*
 4 *of the United States, for actions taken in furtherance of sec-*
 5 *tion 221 or 224 of this amended Compact, or any other*
 6 *provision of law authorizing financial, program, or service*
 7 *assistance to the Republic of the Marshall Islands.*

8 **TITLE TWO**

9 **ECONOMIC RELATIONS**

10 **Article I**

11 **Grant Assistance**

12 **Section 211 - Annual Grant Assistance**

13 *(a) In order to assist the Government of the Republic*
 14 *of the Marshall Islands in its efforts to promote the eco-*
 15 *nomie advancement and budgetary self-reliance of its peo-*
 16 *ple, and in recognition of the special relationship that exists*
 17 *between the Republic of the Marshall Islands and the United*
 18 *States, the Government of the United States shall provide*
 19 *assistance on a grant basis for a period of twenty years*
 20 *in the amounts set forth in section 217, commencing on the*
 21 *effective date of this Compact, as amended. Such grants*
 22 *shall be used for assistance in education, health care, the*
 23 *environment, public sector capacity building, and private*
 24 *sector development, or for other areas as mutually agreed,*
 25 *with priorities in the education and health care sectors.*

1 *Consistent with the medium-term budget and investment*
2 *framework described in subsection (f) of this section, the*
3 *proposed division of this amount among the identified areas*
4 *shall require the concurrence of both the Government of the*
5 *United States and the Government of the Republic of the*
6 *Marshall Islands, through the Joint Economic Management*
7 *and Financial Accountability Committee described in sec-*
8 *tion 214. The Government of the United States shall dis-*
9 *burse the grant assistance and monitor the use of such grant*
10 *assistance in accordance with the provisions of this Article*
11 *and an Agreement Concerning Procedures for the Imple-*
12 *mentation of United States Economic Assistance Provided*
13 *in the Compact, as Amended, of Free Association Between*
14 *the Government of the United States of America and the*
15 *Government of the Republic of the Marshall Islands (“Fiscal*
16 *Procedures Agreement”)* which shall come into effect simul-
17 *taneously with this Compact, as amended.*

18 (1) *EDUCATION.—United States grant assistance*
19 *shall be made available in accordance with the stra-*
20 *tegic framework described in subsection (f) of this sec-*
21 *tion to support and improve the educational system*
22 *of the Republic of the Marshall Islands and develop*
23 *the human, financial, and material resources nec-*
24 *essary for the Republic of the Marshall Islands to per-*

1 *form these services. Emphasis should be placed on ad-*
2 *vancing a quality basic education system.*

3 (2) *HEALTH.—United States grant assistance*
4 *shall be made available in accordance with the stra-*
5 *tegic framework described in subsection (f) of this sec-*
6 *tion to support and improve the delivery of preven-*
7 *tive, curative and environmental care and develop the*
8 *human, financial, and material resources necessary*
9 *for the Republic of the Marshall Islands to perform*
10 *these services.*

11 (3) *PRIVATE SECTOR DEVELOPMENT.—United*
12 *States grant assistance shall be made available in ac-*
13 *cordance with the strategic framework described in*
14 *subsection (f) of this section to support the efforts of*
15 *the Republic of the Marshall Islands to attract foreign*
16 *investment and increase indigenous business activity*
17 *by vitalizing the commercial environment, ensuring*
18 *fair and equitable application of the law, promoting*
19 *adherence to core labor standards, maintaining*
20 *progress toward privatization of state-owned and par-*
21 *tially state-owned enterprises, and engaging in other*
22 *reforms.*

23 (4) *CAPACITY BUILDING IN THE PUBLIC SEC-*
24 *TOR.—United States grant assistance shall be made*
25 *available in accordance with the strategic framework*

1 *described in subsection (f) of this section to support*
2 *the efforts of the Republic of the Marshall Islands to*
3 *build effective, accountable and transparent national*
4 *and local government and other public sector institu-*
5 *tions and systems.*

6 (5) *ENVIRONMENT.—United States grant assist-*
7 *ance shall be made available in accordance with the*
8 *strategic framework described in subsection (f) of this*
9 *section to increase environmental protection; establish*
10 *and manage conservation areas; engage in environ-*
11 *mental infrastructure planning, design construction*
12 *and operation; and to involve the citizens of the Re-*
13 *public of the Marshall Islands in the process of con-*
14 *serving their country’s natural resources.*

15 (b) *KWAJALEIN ATOLL.—*

16 (1) *Of the total grant assistance made available*
17 *under subsection (a) of this section, the amount speci-*
18 *fied herein shall be allocated annually from fiscal*
19 *year 2004 through fiscal year 2023 (and thereafter in*
20 *accordance with the Agreement between the Govern-*
21 *ment of the United States and the Government of the*
22 *Republic of the Marshall Islands Regarding Military*
23 *Use and Operating Rights) to advance the objectives*
24 *and specific priorities set forth in subsections (a) and*
25 *(d) of this section and the Fiscal Procedures Agree-*

1 *ment, to address the special needs of the community*
2 *at Ebeye, Kwajalein Atoll and other Marshallese com-*
3 *munities within Kwajalein Atoll. This United States*
4 *grant assistance shall be made available, in accord-*
5 *ance with the medium-term budget and investment*
6 *framework described in subsection (f) of this section,*
7 *to support and improve the infrastructure and deliv-*
8 *ery of services and develop the human and material*
9 *resources necessary for the Republic of the Marshall*
10 *Islands to carry out its responsibility to maintain*
11 *such infrastructure and deliver such services. The*
12 *amount of this assistance shall be \$3,100,000, with an*
13 *inflation adjustment as provided in section 218, from*
14 *fiscal year 2004 through fiscal year 2013 and the fis-*
15 *cal year 2013 level of funding, with an inflation ad-*
16 *justment as provided in section 218, will be increased*
17 *by \$2 million for fiscal year 2014. The fiscal year*
18 *2014 level of funding, with an inflation adjustment as*
19 *provided in section 218, will be made available from*
20 *fiscal year 2015 through fiscal year 2023 (and there-*
21 *after as noted above).*

22 *(2) The Government of the United States shall*
23 *also provide to the Government of the Republic of the*
24 *Marshall Islands, in conjunction with section 321(a)*
25 *of this Compact, as amended, an annual payment*

1 *from fiscal year 2004 through fiscal year 2023 (and*
2 *thereafter in accordance with the Agreement between*
3 *the Government of the United States and the Govern-*
4 *ment of the Republic of the Marshall Islands Regard-*
5 *ing Military Use and Operating Rights) of \$1.9 mil-*
6 *lion. This grant assistance will be subject to the Fis-*
7 *cal Procedures Agreement and will be adjusted for in-*
8 *flation under section 218 and used to address the spe-*
9 *cial needs of the community at Ebeye, Kwajalein*
10 *Atoll and other Marshallese communities within*
11 *Kwajalein Atoll with emphasis on the Kwajalein*
12 *landowners, as described in the Fiscal Procedures*
13 *Agreement.*

14 *(3) Of the total grant assistance made available*
15 *under subsection (a) of this section, and in conjunc-*
16 *tion with section 321(a) of the Compact, as amended,*
17 *\$200,000, with an inflation adjustment as provided*
18 *in section 218, shall be allocated annually from fiscal*
19 *year 2004 through fiscal year 2023 (and thereafter as*
20 *provided in the Agreement between the Government of*
21 *the United States and the Government of the Republic*
22 *of the Marshall Islands Regarding Military Use and*
23 *Operating Rights) for a grant to support increased*
24 *participation of the Government of the Republic of the*
25 *Marshall Islands Environmental Protection Authority*

1 *in the annual U.S. Army Kwajalein Atoll Environ-*
2 *mental Standards Survey and to promote a greater*
3 *Government of the Republic of the Marshall Islands*
4 *capacity for independent analysis of the Survey's*
5 *findings and conclusions.*

6 (c) *HUMANITARIAN ASSISTANCE—REPUBLIC OF THE*
7 *MARSHALL ISLANDS PROGRAM.—In recognition of the spe-*
8 *cial development needs of the Republic of the Marshall Is-*
9 *lands, the Government of the United States shall make*
10 *available to the Government of the Republic of the Marshall*
11 *Islands, on its request and to be deducted from the grant*
12 *amount made available under subsection (a) of this section,*
13 *a Humanitarian Assistance—Republic of the Marshall Is-*
14 *lands (“HARMI”) Program with emphasis on health, edu-*
15 *cation, and infrastructure (including transportation),*
16 *projects and such other projects as mutually agreed. The*
17 *terms and conditions of the HARMI shall be set forth in*
18 *the Agreement Regarding the Military Use and Operating*
19 *Rights of the Government of the United States in the Repub-*
20 *lic of the Marshall Islands Concluded Pursuant to Sections*
21 *321 and 323 of the Compact of Free Association, as Amend-*
22 *ed, which shall come into effect simultaneously with the*
23 *amendments to this Compact.*

24 (d) *PUBLIC INFRASTRUCTURE.—*

1 (1) *Unless otherwise agreed, not less than 30 per-*
2 *cent and not more than 50 percent of U.S. annual*
3 *grant assistance provided under this section shall be*
4 *made available in accordance with a list of specific*
5 *projects included in the infrastructure improvement*
6 *and maintenance plan prepared by the Government*
7 *of the Republic of the Marshall Islands as part of the*
8 *strategic framework described in subsection (f) of this*
9 *section.*

10 (2) *INFRASTRUCTURE MAINTENANCE FUND.—*
11 *Five percent of the annual public infrastructure grant*
12 *made available under paragraph (1) of this subsection*
13 *shall be set aside, with an equal contribution from the*
14 *Government of the Republic of the Marshall Islands,*
15 *as a contribution to an Infrastructure Maintenance*
16 *Fund. Administration of the Infrastructure Mainte-*
17 *nance Fund shall be governed by the Fiscal Proce-*
18 *dures Agreement.*

19 (e) *DISASTER ASSISTANCE EMERGENCY FUND.—Of*
20 *the total grant assistance made available under subsection*
21 *(a) of this section, an amount of two hundred thousand dol-*
22 *lars (\$200,000) shall be provided annually, with an equal*
23 *contribution from the Government of the Republic of the*
24 *Marshall Islands, as a contribution to a Disaster Assistance*
25 *Emergency Fund (“DAEF”). Any funds from the DAEF*

1 *may be used only for assistance and rehabilitation resulting*
2 *from disasters and emergencies. The funds will be accessed*
3 *upon declaration of a State of Emergency by the Govern-*
4 *ment of the Republic of the Marshall Islands, with the con-*
5 *currence of the United States Chief of Mission to the Repub-*
6 *lic of the Marshall Islands. Administration of the DAEF*
7 *shall be governed by the Fiscal Procedures Agreement.*

8 (f) *BUDGET AND INVESTMENT FRAMEWORK.—The*
9 *Government of the Republic of the Marshall Islands shall*
10 *prepare and maintain an official medium-term budget and*
11 *investment framework. The framework shall be strategic in*
12 *nature, shall be continuously reviewed and updated through*
13 *the annual budget process, and shall make projections on*
14 *a multi-year rolling basis. Each of the sectors and areas*
15 *named in subsections (a), (b), and (d) of this section, or*
16 *other sectors and areas as mutually agreed, shall be ac-*
17 *corded specific treatment in the framework. Those portions*
18 *of the framework that contemplate the use of United States*
19 *grant funds shall require the concurrence of both the Gov-*
20 *ernment of the United States and the Government of the*
21 *Republic of the Marshall Islands.*

22 *Section 212 - Kwajalein Impact and Use*

23 *The Government of the United States shall provide to*
24 *the Government of the Republic of the Marshall Islands in*
25 *conjunction with section 321(a) of the Compact, as amend-*

1 *ed, and the agreement between the Government of the*
2 *United States and the Government of the Republic of the*
3 *Marshall Islands regarding military use and operating*
4 *rights, a payment in fiscal year 2004 of \$15,000,000, with*
5 *no adjustment for inflation. In fiscal year 2005 and*
6 *through fiscal year 2013, the annual payment will be the*
7 *fiscal year 2004 amount (\$15,000,000) with an inflation*
8 *adjustment as provided under section 218. In fiscal year*
9 *2014, the annual payment will be \$18,000,000 (with no ad-*
10 *justment for inflation) or the fiscal year 2013 amount with*
11 *an inflation adjustment under section 218, whichever is*
12 *greater. For fiscal year 2015 through fiscal year 2023 (and*
13 *thereafter in accordance with the Agreement between the*
14 *Government of the United States and the Government of*
15 *the Republic of the Marshall Islands Regarding Military*
16 *Use and Operating Rights) the annual payment will be the*
17 *fiscal year 2014 amount, with an inflation adjustment as*
18 *provided under section 218.*

19 *Section 213 - Accountability*

20 *(a) Regulations and policies normally applicable to*
21 *United States financial assistance to its state and local gov-*
22 *ernments, as set forth in the Fiscal Procedures Agreement,*
23 *shall apply to each grant described in section 211, and to*
24 *grants administered under section 221 below, except as*
25 *modified in the separate agreements referred to in section*

1 231 of this Compact, as amended, or by U.S. law. As set
2 forth in the Fiscal Procedures Agreement, reasonable terms
3 and conditions, including annual performance indicators
4 that are necessary to ensure effective use of United States
5 assistance and reasonable progress toward achieving pro-
6 gram objectives may be attached. In addition, the United
7 States may seek appropriate remedies for noncompliance
8 with the terms and conditions attached to the assistance,
9 or for failure to comply with section 234, including with-
10 holding assistance.

11 (b) The Government of the United States shall, for each
12 fiscal year of the twenty years during which assistance is
13 to be provided on a sector grant basis under section 211
14 (a), grant the Government of the Republic of the Marshall
15 Islands an amount equal to the lesser of (i) one half of the
16 reasonable, properly documented cost incurred during such
17 fiscal year to conduct the annual audit required under Arti-
18 cle VIII (2) of the Fiscal Procedures Agreement or (ii)
19 \$500,000. Such amount will not be adjusted for inflation
20 under section 218 or otherwise.

21 Section 214 - Joint Economic Management and Financial
22 Accountability Committee

23 The Governments of the United States and the Repub-
24 lic of the Marshall Islands shall establish a Joint Economic
25 Management and Financial Accountability Committee,

1 *composed of a U.S. chair, two other members from the Gov-*
2 *ernment of the United States and two members from the*
3 *Government of the Republic of the Marshall Islands. The*
4 *Joint Economic Management and Financial Accountability*
5 *Committee shall meet at least once each year to review the*
6 *audits and reports required under this Title and the Fiscal*
7 *Procedures Agreement, evaluate the progress made by the*
8 *Republic of the Marshall Islands in meeting the objectives*
9 *identified in its framework described in subsection (f) of*
10 *section 211, with particular focus on those parts of the*
11 *framework dealing with the sectors and areas identified in*
12 *subsection (a) of section 211, identify problems encountered,*
13 *and recommend ways to increase the effectiveness of U.S.*
14 *assistance made available under this Title. The establish-*
15 *ment and operations of the Joint Economic Management*
16 *and Financial Accountability Committee shall be governed*
17 *by the Fiscal Procedures Agreement.*

18 *Section 215 - Annual Report*

19 *The Government of the Republic of the Marshall Is-*
20 *lands shall report annually to the President of the United*
21 *States on the use of United States sector grant assistance*
22 *and other assistance and progress in meeting mutually*
23 *agreed program and economic goals. The Joint Economic*
24 *Management and Financial Accountability Committee*

1 *shall review and comment on the report and make appro-*
2 *priate recommendations based thereon.*

3 *Section 216 - Trust Fund*

4 (a) *The United States shall contribute annually for*
5 *twenty years from the effective date of the Compact, as*
6 *amended, in the amounts set forth in section 217 into a*
7 *trust fund established in accordance with the Agreement Be-*
8 *tween the Government of the United States of America and*
9 *the Government of the Republic of the Marshall Islands Im-*
10 *plementing Section 216 and Section 217 of the Compact,*
11 *as Amended, Regarding a Trust Fund (“Trust Fund Agree-*
12 *ment”), which shall come into effect simultaneously with*
13 *this Compact, as amended. Upon termination of the annual*
14 *grant assistance under section 211 (a), (d) and (e), the*
15 *earnings of the fund shall thereafter be used for the purposes*
16 *described in section 211 or as otherwise mutually agreed.*

17 (b) *The United States contribution into the Trust*
18 *Fund described in subsection (a) of this section is condi-*
19 *tioned on the Government of the Republic of the Marshall*
20 *Islands contributing to the Trust Fund at least*
21 *\$25,000,000, on the effective date of the Trust Fund Agree-*
22 *ment or on October 1, 2003, whichever is later, \$2,500,000*
23 *prior to October 1, 2004, and \$2,500,000 prior to October*
24 *1, 2005. Any funds received by the Republic of the Marshall*
25 *Islands under section 111(d) of Public Law 99–239 (Janu-*

1 ary 14, 1986), or successor provisions, would be contributed
2 to the Trust Fund as a Republic of the Marshall Islands'
3 contribution.

4 (c) The terms regarding the investment and manage-
5 ment of funds and use of the income of the Trust Fund shall
6 be governed by the Trust Fund Agreement. Funds derived
7 from United States investment shall not be subject to Fed-
8 eral or state taxes in the United States or any taxes in
9 the Republic of the Marshall Islands. The Trust Fund
10 Agreement shall also provide for annual reports to the Gov-
11 ernment of the United States and to the Government of the
12 Republic of the Marshall Islands. The Trust Fund Agree-
13 ment shall provide for appropriate distributions of trust
14 fund proceeds to the Republic of the Marshall Islands and
15 for appropriate remedies for the failure of the Republic of
16 the Marshall Islands to use income of the Trust Fund for
17 the annual grant purposes set forth in section 211. These
18 remedies may include the return to the United States of
19 the present market value of its contributions to the Trust
20 Fund and the present market value of any undistributed
21 income on the contributions of the United States. If this
22 Compact, as amended, is terminated, the provisions of sec-
23 tions 451–453 of the Compact, as amended, and the Trust
24 Fund Agreement shall govern treatment of any U.S. con-
25 tributions to the Trust Fund or accrued income thereon.

1 *Section 217 - Annual Grant Funding and Trust Fund Con-*
 2 *tributions*

3 *The funds described in sections 211, 212, 213(b), and*
 4 *216 shall be made available as follows:*

[In millions of dollars]

<i>Fiscal year</i>	<i>Annual Grants Section 211</i>	<i>Audit Grant Section 213(b)</i>	<i>Trust Fund Section 216 (a&c)</i>	<i>Kwajalein Im- pact Section 212</i>	<i>Total</i>
2004	35.2	.5	7	15.0	57.7
2005	34.7	.5	7.5	15.0	57.7
2006	34.2	.5	8	15.0	57.7
2007	33.7	.5	8.5	15.0	57.7
2008	33.2	.5	9	15.0	57.7
2009	32.7	.5	9.5	15.0	57.7
2010	32.2	.5	10	15.0	57.7
2011	31.7	.5	10.5	15.0	57.7
2012	31.2	.5	11	15.0	57.7
2013	30.7	.5	11.5	15.0	57.7
2014	32.2	.5	12	18.0	62.7
2015	31.7	.5	12.5	18.0	62.7
2016	31.2	.5	13	18.0	62.7
2017	30.7	.5	13.5	18.0	62.7
2018	30.2	.5	14	18.0	62.7
2019	29.7	.5	14.5	18.0	62.7
2020	29.2	.5	15	18.0	62.7
2021	28.7	.5	15.5	18.0	62.7
2022	28.2	.5	16	18.0	62.7
2023	27.7	.5	16.5	18.0	62.7

5 *Section 218 - Inflation Adjustment*

6 *Except as otherwise provided, the amounts stated in*
 7 *this Title shall be adjusted for each United States Fiscal*
 8 *Year by the percent that equals two-thirds of the percent*
 9 *change in the United States Gross Domestic Product Im-*
 10 *plicit Price Deflator, or 5 percent, whichever is less in any*
 11 *one year, using the beginning of Fiscal Year 2004 as a base.*

12 *Section 219 - Carry-Over of Unused Funds*

13 *If in any year the funds made available by the Govern-*
 14 *ment of the United States for that year pursuant to this*
 15 *Article are not completely obligated by the Government of*
 16 *the Republic of the Marshall Islands, the unobligated bal-*

1 *ances shall remain available in addition to the funds to*
2 *be provided in subsequent years.*

3 *Article II*

4 *Services and Program Assistance*

5 *Section 221*

6 *(a) SERVICES.—The Government of the United States*
7 *shall make available to the Republic of the Marshall Islands,*
8 *in accordance with and to the extent provided in the Fed-*
9 *eral Programs and Services Agreement referred to in Sec-*
10 *tion 231, the services and related programs of:*

11 *(1) the United States Weather Service;*

12 *(2) the United States Postal Service;*

13 *(3) the United States Federal Aviation Adminis-*
14 *tration;*

15 *(4) the United States Department of Transpor-*
16 *tation; and*

17 *(5) the Department of Homeland Security, and*
18 *the United States Agency for International Develop-*
19 *ment, Office of Foreign Disaster Assistance.*

20 *Upon the effective date of this Compact, as amended, the*
21 *United States Departments and Agencies named or having*
22 *responsibility to provide these services and related programs*
23 *shall have the authority to implement the relevant provi-*
24 *sions of the Federal Programs and Services Agreement re-*
25 *ferred to in section 231.*

1 **(b) PROGRAMS.—**

2 **(1) Other than the services and programs covered**
3 **by subsection (a) of this section, and to the extent au-**
4 **thorized by the Congress of the United States, the**
5 **Government of the United States shall make available**
6 **to the Republic of the Marshall Islands the services**
7 **and programs that were available to the Republic of**
8 **the Marshall Islands on the effective date of this Com-**
9 **compact, as amended, to the extent that such services and**
10 **programs continue to be available to State and local**
11 **governments of the United States. As set forth in the**
12 **Fiscal Procedures Agreement, funds provided under**
13 **subsection (a) of section 211 shall be considered to be**
14 **local revenues of the Government of the Republic of**
15 **the Marshall Islands when used as the local share re-**
16 **quired to obtain Federal programs and services.**

17 **(2) Unless provided otherwise by U.S. law, the**
18 **services and programs described in paragraph (1) of**
19 **this subsection shall be extended in accordance with**
20 **the terms of the Federal Programs and Services**
21 **Agreement.**

22 **(c) The Government of the United States shall have**
23 **and exercise such authority as is necessary to carry out its**
24 **responsibilities under this Title and the Federal Programs**
25 **and Services Agreement, including the authority to monitor**

1 *and administer all service and program assistance provided*
2 *by the United States to the Republic of the Marshall Is-*
3 *lands. The Federal Programs and Services Agreement shall*
4 *also set forth the extent to which services and programs shall*
5 *be provided to the Republic of the Marshall Islands.*

6 *(d) Except as provided elsewhere in this Compact, as*
7 *amended, under any separate agreement entered into under*
8 *this Compact, as amended, or otherwise under U.S. law,*
9 *all Federal domestic programs extended to or operating in*
10 *the Republic of the Marshall Islands shall be subject to all*
11 *applicable criteria, standards, reporting requirements, au-*
12 *diting procedures, and other rules and regulations applica-*
13 *ble to such programs and services when operating in the*
14 *United States.*

15 *(e) The Government of the United States shall make*
16 *available to the Republic of the Marshall Islands alternate*
17 *energy development projects, studies, and conservation*
18 *measures to the extent provided for the Freely Associated*
19 *States in the laws of the United States.*

20 *Section 222*

21 *The Government of the United States and the Govern-*
22 *ment of the Republic of the Marshall Islands may agree*
23 *from time to time to extend to the Republic of the Marshall*
24 *Islands additional United States grant assistance, services*
25 *and programs, as provided under the laws of the United*

1 *States. Unless inconsistent with such laws, or otherwise spe-*
2 *cifically precluded by the Government of the United States*
3 *at the time such additional grant assistance, services, or*
4 *programs are extended, the Federal Programs and Services*
5 *Agreement shall apply to any such assistance, services or*
6 *programs.*

7 *Section 223*

8 *The Government of the Republic of the Marshall Is-*
9 *lands shall make available to the Government of the United*
10 *States at no cost such land as may be necessary for the*
11 *operations of the services and programs provided pursuant*
12 *to this Article, and such facilities as are provided by the*
13 *Government of the Republic of the Marshall Islands at no*
14 *cost to the Government of the United States as of the effec-*
15 *tive date of this Compact, as amended, or as may be mutu-*
16 *ally agreed thereafter.*

17 *Section 224*

18 *The Government of the Republic of the Marshall Is-*
19 *lands may request, from the time to time, technical assist-*
20 *ance from the Federal agencies and institutions of the Gov-*
21 *ernment of the United States, which are authorized to grant*
22 *such technical assistance in accordance with its laws. If*
23 *technical assistance is granted pursuant to such a request,*
24 *the Government of the United States shall provide the tech-*
25 *nical assistance in a manner which gives priority consider-*

1 *ation to the Republic of the Marshall Islands over other re-*
2 *cipients not a part of the United States, its territories or*
3 *possessions, and equivalent consideration to the Republic of*
4 *the Marshall Islands with respect to other states in Free*
5 *Association with the United States. Such assistance shall*
6 *be made available on a reimbursable or non-reimbursable*
7 *basis to the extent provided by United States law.*

8

Article III

9

*Administrative Provisions*10 *Section 231*

11 *The specific nature, extent and contractual arrange-*
12 *ments of the services and programs provided for in section*
13 *221 of this Compact, as amended, as well as the legal status*
14 *of agencies of the Government of the United States, their*
15 *civilian employees and contractors, and the dependents of*
16 *such personnel while present in the Republic of the Marshall*
17 *Islands, and other arrangements in connection with the as-*
18 *sistance, services, or programs furnished by the Government*
19 *of the United States, are set forth in a Federal Programs*
20 *and Services Agreement which shall come into effect simul-*
21 *taneously with this Compact, as amended.*

22 *Section 232*

23 *The Government of the United States, in consultation*
24 *with the Government of the Republic of the Marshall Is-*
25 *lands, shall determine and implement procedures for the*

1 *periodic audit of all grants and other assistance made*
2 *under Article I of this Title and of all funds expended for*
3 *the services and programs provided under Article II of this*
4 *Title. Further, in accordance with the Fiscal Procedures*
5 *Agreement described in subsection (a) of section 211, the*
6 *Comptroller General of the United States shall have such*
7 *powers and authorities as described in sections 103(m) and*
8 *110(c) of Public Law 99-239, 99 Stat. 1777-78, and 99*
9 *Stat. 1799 (January 14, 1986).*

10 *Section 233*

11 *Approval of this Compact, as amended, by the Govern-*
12 *ment of the United States, in accordance with its constitu-*
13 *tional processes, shall constitute a pledge by the United*
14 *States that the sums and amounts specified as grants in*
15 *section 211 of this Compact, as amended, shall be appro-*
16 *priated and paid to the Republic of the Marshall Islands*
17 *for such period as those provisions of this Compact, as*
18 *amended, remain in force, provided that the Republic of*
19 *the Marshall Islands complies with the terms and condi-*
20 *tions of this Title and related subsidiary agreements.*

21 *Section 234*

22 *The Government of the Republic of the Marshall Is-*
23 *lands pledges to cooperate with, permit, and assist if rea-*
24 *sonably requested, designated and authorized representa-*
25 *tives of the Government of the United States charged with*

1 *investigating whether Compact funds, or any other assist-*
2 *ance authorized under this Compact, as amended, have, or*
3 *are being, used for purposes other than those set forth in*
4 *this Compact, as amended, or its subsidiary agreements. In*
5 *carrying out this investigative authority, such United*
6 *States Government representatives may request that the*
7 *Government of the Republic of the Marshall Islands sub-*
8 *poena documents and records and compel testimony in ac-*
9 *cordance with the laws and Constitution of the Republic*
10 *of the Marshall Islands. Such assistance by the Government*
11 *of the Republic of the Marshall Islands to the Government*
12 *of the United States shall not be unreasonably withheld. The*
13 *obligation of the Government of the Marshall Islands to ful-*
14 *fill its pledge herein is a condition to its receiving payment*
15 *of such funds or other assistance authorized under this Com-*
16 *pact, as amended. The Government of the United States*
17 *shall pay any reasonable costs for extraordinary services*
18 *executed by the Government of the Marshall Islands in car-*
19 *rying out the provisions of this section.*

20 *Article IV*

21 *Trade*

22 *Section 241*

23 *The Republic of the Marshall Islands is not included*
24 *in the customs territory of the United States.*

25 *Section 242*

1 *The President shall proclaim the following tariff treat-*
2 *ment for articles imported from the Republic of the Mar-*
3 *shall Islands which shall apply during the period of effec-*
4 *tiveness of this title:*

5 *(a) Unless otherwise excluded, articles imported*
6 *from the Republic of the Marshall Islands, subject to*
7 *the limitations imposed under section 503(b) of title*
8 *V of the Trade Act of 1974 (19 U.S.C. 2463(b)), shall*
9 *be exempt from duty.*

10 *(b) Only tuna in airtight containers provided for*
11 *in heading 1604.14.22 of the Harmonized Tariff*
12 *Schedule of the United States that is imported from*
13 *the Republic of the Marshall Islands and the Fed-*
14 *erated States of Micronesia during any calendar year*
15 *not to exceed 10 percent of apparent United States*
16 *consumption of tuna in airtight containers during the*
17 *immediately preceding calendar year, as reported by*
18 *the National Marine Fisheries Service, shall be ex-*
19 *empt from duty; but the quantity of tuna given duty-*
20 *free treatment under this paragraph for any calendar*
21 *year shall be counted against the aggregated quantity*
22 *of tuna in airtight containers that is dutiable under*
23 *rate column numbered 1 of such heading 1604.14.22*
24 *for that calendar year.*

1 (c) *The duty-free treatment provided under sub-*
2 *section (a) shall not apply to:*

3 (1) *watches, clocks, and timing apparatus*
4 *provided for in Chapter 91, excluding heading*
5 *9113, of the Harmonized Tariff Schedule of the*
6 *United States;*

7 (2) *buttons (whether finished or not fin-*
8 *ished) provided for in items 9606.21.40 and*
9 *9606.29.20 of such Schedule;*

10 (3) *textile and apparel articles which are*
11 *subject to textile agreements; and*

12 (4) *footwear, handbags, luggage, flat goods,*
13 *work gloves, and leather wearing apparel which*
14 *were not eligible articles for purposes of title V*
15 *of the Trade Act of 1974 (19 U.S.C. 2461, et*
16 *seq.) on April 1, 1984.*

17 (d) *If the cost or value of materials produced in*
18 *the customs territory of the United States is included*
19 *with respect to an eligible article which is a product*
20 *of the Republic of the Marshall Islands, an amount*
21 *not to exceed 15 percent of the appraised value of the*
22 *article at the time it is entered that is attributable to*
23 *such United States cost or value may be applied for*
24 *duty assessment purposes toward determining the per-*

1 centage referred to in section 503(a)(2) of title V of
2 the Trade Act of 1974.

3 Section 243

4 Articles imported from the Republic of the Marshall
5 Islands which are not exempt from duty under subsections
6 (a), (b), (c), and (d) of section 242 shall be subject to the
7 rates of duty set forth in column numbered 1-general of the
8 Harmonized Tariff Schedule of the United States
9 (HTSUS).

10 Section 244

11 (a) All products of the United States imported into
12 the Republic of the Marshall Islands shall receive treatment
13 no less favorable than that accorded like products of any
14 foreign country with respect to customs duties or charges
15 of a similar nature and with respect to laws and regula-
16 tions relating to importation, exportation, taxation, sale,
17 distribution, storage or use.

18 (b) The provisions of subsection (a) shall not apply
19 to advantages accorded by the Republic of the Marshall Is-
20 lands by virtue of their full membership in the Pacific Is-
21 land Countries Trade Agreement (PICTA), done on August
22 18, 2001, to those governments listed in Article 26 of
23 PICTA, as of the date the Compact, as amended, is signed.

24 (c) Prior to entering into consultations on, or con-
25 cluding, a free trade agreement with governments not listed

1 *in Article 26 of PICTA, the Republic of the Marshall Is-*
2 *lands shall consult with the United States regarding wheth-*
3 *er or how subsection (a) of section 244 shall be applied.*

4 *Article V*

5 *Finance and Taxation*

6 *Section 251*

7 *The currency of the United States is the official circu-*
8 *lating legal tender of the Republic of the Marshall Islands.*
9 *Should the Government of the Republic of the Marshall Is-*
10 *lands act to institute another currency, the terms of an ap-*
11 *propriate currency transitional period shall be as agreed*
12 *with the Government of the United States.*

13 *Section 252*

14 *The Government of the Republic of the Marshall Is-*
15 *lands may, with respect to United States persons, tax in-*
16 *come derived from sources within its respective jurisdiction,*
17 *property situated therein, including transfers of such prop-*
18 *erty by gift or at death, and products consumed therein,*
19 *in such manner as the Government of the Republic of the*
20 *Marshall Islands deems appropriate. The determination of*
21 *the source of any income, or the situs of any property, shall*
22 *for purposes of this Compact, as amended, be made accord-*
23 *ing to the United States Internal Revenue Code.*

24 *Section 253*

1 *A citizen of the Republic of the Marshall Islands, domi-*
2 *ciled therein, shall be exempt from estate, gift, and genera-*
3 *tion-skipping transfer taxes imposed by the Government of*
4 *the United States, provided that such citizen of the Republic*
5 *of the Marshall Islands is neither a citizen nor a resident*
6 *of the United States.*

7 *Section 254*

8 *(a) In determining any income tax imposed by the*
9 *Government of the Republic of the Marshall Islands, the*
10 *Government of the Republic of the Marshall Islands shall*
11 *have authority to impose tax upon income derived by a resi-*
12 *dent of the Republic of the Marshall Islands from sources*
13 *without the Republic of the Marshall Islands, in the same*
14 *manner and to the same extent as the Government of the*
15 *Republic of the Marshall Islands imposes tax upon income*
16 *derived from within its own jurisdiction. If the Government*
17 *of the Republic of the Marshall Islands exercises such au-*
18 *thority as provided in this subsection, any individual resi-*
19 *dent of the Republic of the Marshall Islands who is subject*
20 *to tax by the Government of the United States on income*
21 *which is also taxed by the Government of the Republic of*
22 *the Marshall Islands shall be relieved of liability to the Gov-*
23 *ernment of the United States for the tax which, but for this*
24 *subsection, would otherwise be imposed by the Government*
25 *of the United States on such income. However, the relief*

1 (a) *The Government of the United States has full au-*
2 *thority and responsibility for security and defense matters*
3 *in or relating to the Republic of the Marshall Islands.*

4 (b) *This authority and responsibility includes:*

5 (1) *the obligation to defend the Republic of the*
6 *Marshall Islands and its people from attack or threats*
7 *thereof as the United States and its citizens are de-*
8 *fended;*

9 (2) *the option to foreclose access to or use of the*
10 *Republic of the Marshall Islands by military per-*
11 *sonnel or for the military purposes of any third coun-*
12 *try; and*

13 (3) *the option to establish and use military areas*
14 *and facilities in the Republic of the Marshall Islands,*
15 *subject to the terms of the separate agreements re-*
16 *ferred to in sections 321 and 323.*

17 (c) *The Government of the United States confirms that*
18 *it shall act in accordance with the principles of inter-*
19 *national law and the Charter of the United Nations in the*
20 *exercise of this authority and responsibility.*

21 *Section 312*

22 *Subject to the terms of any agreements negotiated in*
23 *accordance with sections 321 and 323, the Government of*
24 *the United States may conduct within the lands, waters and*
25 *airspace of the Republic of the Marshall Islands the activi-*

1 *ties and operations necessary for the exercise of its author-*
2 *ity and responsibility under this Title.*

3 *Section 313*

4 *(a) The Government of the Republic of the Marshall*
5 *Islands shall refrain from actions that the Government of*
6 *the United States determines, after appropriate consulta-*
7 *tion with that Government, to be incompatible with its au-*
8 *thority and responsibility for security and defense matters*
9 *in or relating to the Republic of the Marshall Islands.*

10 *(b) The consultations referred to in this section shall*
11 *be conducted expeditiously at senior levels of the two Gov-*
12 *ernments, and the subsequent determination by the Govern-*
13 *ment of the United States referred to in this section shall*
14 *be made only at senior interagency levels of the Government*
15 *of the United States.*

16 *(c) The Government of the Republic of the Marshall*
17 *Islands shall be afforded, on an expeditious basis, an oppor-*
18 *tunity to raise its concerns with the United States Sec-*
19 *retary of State personally and the United States Secretary*
20 *of Defense personally regarding any determination made*
21 *in accordance with this section.*

22 *Section 314*

23 *(a) Unless otherwise agreed, the Government of the*
24 *United States shall not, in the Republic of the Marshall Is-*
25 *lands:*

1 (1) *test by detonation or dispose of any nuclear*
2 *weapon, nor test, dispose of, or discharge any toxic*
3 *chemical or biological weapon; or*

4 (2) *test, dispose of, or discharge any other radio-*
5 *active, toxic chemical or biological materials in an*
6 *amount or manner that would be hazardous to public*
7 *health or safety.*

8 (b) *Unless otherwise agreed, other than for transit or*
9 *overflight purposes or during time of a national emergency*
10 *declared by the President of the United States, a state of*
11 *war declared by the Congress of the United States or as*
12 *necessary to defend against an actual or impending armed*
13 *attack on the United States, the Republic of the Marshall*
14 *Islands or the Federated States of Micronesia, the Govern-*
15 *ment of the United States shall not store in the Republic*
16 *of the Marshall Islands or the Federated States of Micro-*
17 *nesia any toxic chemical weapon, nor any radioactive ma-*
18 *terials nor any toxic chemical materials intended for weap-*
19 *ons use.*

20 (c) *Radioactive, toxic chemical, or biological materials*
21 *not intended for weapons use shall not be affected by section*
22 *314(b).*

23 (d) *No material or substance referred to in this section*
24 *shall be stored in the Republic of the Marshall Islands ex-*
25 *cept in an amount and manner which would not be haz-*

1 *ardous to public health or safety. In determining what shall*
2 *be an amount or manner which would be hazardous to pub-*
3 *lic health or safety under this section, the Government of*
4 *the United States shall comply with any applicable mutual*
5 *agreement, international guidelines accepted by the Govern-*
6 *ment of the United States, and the laws of the United States*
7 *and their implementing regulations.*

8 *(e) Any exercise of the exemption authority set forth*
9 *in section 161(e) shall have no effect on the obligations of*
10 *the Government of the United States under this section or*
11 *on the application of this subsection.*

12 *(f) The provisions of this section shall apply in the*
13 *areas in which the Government of the Republic of the Mar-*
14 *shall Islands exercises jurisdiction over the living resources*
15 *of the seabed, subsoil or water column adjacent to its coasts.*

16 *Section 315*

17 *The Government of the United States may invite mem-*
18 *bers of the armed forces of other countries to use military*
19 *areas and facilities in the Republic of the Marshall Islands,*
20 *in conjunction with and under the control of United States*
21 *Armed Forces. Use by units of the armed forces of other*
22 *countries of such military areas and facilities, other than*
23 *for transit and overflight purposes, shall be subject to con-*
24 *sultation with and, in the case of major units, approval*
25 *of the Government of the Republic of the Marshall Islands.*

1 (c) *The Government of the United States recognizes*
2 *and respects the scarcity and special importance of land*
3 *in the Republic of the Marshall Islands. In making any*
4 *requests pursuant to section 321(b), the Government of the*
5 *United States shall follow the policy of requesting the min-*
6 *imum area necessary to accomplish the required security*
7 *and defense purpose, of requesting only the minimum inter-*
8 *est in real property necessary to support such purpose, and*
9 *of requesting first to satisfy its requirement through public*
10 *real property, where available, rather than through private*
11 *real property.*

12 *Section 322*

13 *The Government of the United States shall provide and*
14 *maintain fixed and floating aids to navigation in the Re-*
15 *public of the Marshall Islands at least to the extent nec-*
16 *essary for the exercise of its authority and responsibility*
17 *under this Title.*

18 *Section 323*

19 *The military operating rights of the Government of the*
20 *United States and the legal status and contractual arrange-*
21 *ments of the United States Armed Forces, their members,*
22 *and associated civilians, while present in the Republic of*
23 *the Marshall Islands are set forth in separate agreements,*
24 *which shall remain in effect in accordance with the terms*
25 *of such agreements.*

1 *Article III*2 *Defense Treaties and International Security Agreements*3 *Section 331*

4 *Subject to the terms of this Compact, as amended, and*
5 *its related agreements, the Government of the United States,*
6 *exclusively, has assumed and enjoys, as to the Republic of*
7 *the Marshall Islands, all obligations, responsibilities, rights*
8 *and benefits of:*

9 *(a) Any defense treaty or other international se-*
10 *curity agreement applied by the Government of the*
11 *United States as Administering Authority of the*
12 *Trust Territory of the Pacific Islands as of October*
13 *20, 1986.*

14 *(b) Any defense treaty or other international se-*
15 *curity agreement to which the Government of the*
16 *United States is or may become a party which it de-*
17 *termines to be applicable in the Republic of the Mar-*
18 *shall Islands. Such a determination by the Govern-*
19 *ment of the United States shall be preceded by appro-*
20 *priate consultation with the Government of the Re-*
21 *public of the Marshall Islands.*

22 *Article IV*23 *Service in Armed Forces of the United States*24 *Section 341*

1 *Any person entitled to the privileges set forth in Sec-*
2 *tion 141 (with the exception of any person described in sec-*
3 *tion 141(a)(5) who is not a citizen of the Republic of the*
4 *Marshall Islands) shall be eligible to volunteer for service*
5 *in the Armed Forces of the United States, but shall not be*
6 *subject to involuntary induction into military service of the*
7 *United States as long as such person has resided in the*
8 *United States for a period of less than one year, provided*
9 *that no time shall count towards this one year while a per-*
10 *son admitted to the United States under the Compact, or*
11 *the Compact, as amended, is engaged in full-time study in*
12 *the United States. Any person described in section*
13 *141(a)(5) who is not a citizen of the Republic of the Mar-*
14 *shall Islands shall be subject to United States laws relating*
15 *to selective service.*

16 *Section 342*

17 *The Government of the United States shall have en-*
18 *rolled, at any one time, at least one qualified student from*
19 *the Republic of the Marshall Islands, as may be nominated*
20 *by the Government of the Republic of the Marshall Islands,*
21 *in each of:*

22 (a) *The United States Coast Guard Academy*
23 *pursuant to 14 U.S.C. 195.*

24 (b) *The United States Merchant Marine Acad-*
25 *emy pursuant to 46 U.S.C. 1295(b)(6), provided that*

1 *ishment of functional subcommittees, as the members may*
2 *from time to time agree. Upon notification by the Govern-*
3 *ment of the United States, the Joint Committee of the*
4 *United States and the Republic of the Marshall Islands*
5 *shall meet promptly in a combined session with the Joint*
6 *Committee established and maintained by the Government*
7 *of the United States and the Government of the Federated*
8 *States of Micronesia to consider matters within the jurisdic-*
9 *tion of the two Joint Committees.*

10 *(d) Unresolved issues in the Joint Committee shall be*
11 *referred to the Governments for resolution, and the Govern-*
12 *ment of the Republic of the Marshall Islands shall be af-*
13 *forded, on an expeditious basis, an opportunity to raise its*
14 *concerns with the United States Secretary of Defense per-*
15 *sonally regarding any unresolved issue which threatens its*
16 *continued association with the Government of the United*
17 *States.*

18 *Section 352*

19 *In the exercise of its authority and responsibility*
20 *under Title Three, the Government of the United States*
21 *shall accord due respect to the authority and responsibility*
22 *of the Government of the Republic of the Marshall Islands*
23 *under Titles One, Two and Four and to the responsibility*
24 *of the Government of the Republic of the Marshall Islands*
25 *to assure the well-being of its people.*

1 *Section 353*

2 (a) *The Government of the United States shall not in-*
3 *clude the Government of the Republic of the Marshall Is-*
4 *lands as a named party to a formal declaration of war,*
5 *without that Government's consent.*

6 (b) *Absent such consent, this Compact, as amended, is*
7 *without prejudice, on the ground of belligerence or the exist-*
8 *ence of a state of war, to any claims for damages which*
9 *are advanced by the citizens, nationals or Government of*
10 *the Republic of the Marshall Islands, which arise out of*
11 *armed conflict subsequent to October 21, 1986, and which*
12 *are:*

13 (1) *petitions to the Government of the United*
14 *States for redress; or*

15 (2) *claims in any manner against the govern-*
16 *ment, citizens, nationals or entities of any third*
17 *country.*

18 (c) *Petitions under section 353(b)(1) shall be treated*
19 *as if they were made by citizens of the United States.*

20 *Section 354*

21 (a) *The Government of the United States and the Gov-*
22 *ernment of the Republic of the Marshall Islands are jointly*
23 *committed to continue their security and defense relations,*
24 *as set forth in this Title. Accordingly, it is the intention*
25 *of the two countries that the provisions of this Title shall*

1 *remain binding as long as this Compact, as amended, re-*
2 *mains in effect, and thereafter as mutually agreed, unless*
3 *earlier terminated by mutual agreement pursuant to section*
4 *441, or amended pursuant to Article III of Title Four. If*
5 *at any time the Government of the United States, or the*
6 *Government of the Republic of the Marshall Islands, acting*
7 *unilaterally, terminates this Title, such unilateral termi-*
8 *nation shall be considered to be termination of the entire*
9 *Compact, as amended, in which case the provisions of sec-*
10 *tion 442 and 452 (in the case of termination by the Govern-*
11 *ment of the United States) or sections 443 and 453 (in the*
12 *case of termination by the Government of the Republic of*
13 *the Marshall Islands), with the exception of paragraph (3)*
14 *of subsection (a) of section 452 or paragraph (3) of sub-*
15 *section (a) of section 453, as the case may be, shall apply.*

16 **(b)** *The Government of the United States recognizes,*
17 *in view of the special relationship between the Government*
18 *of the United States and the Government of the Republic*
19 *of the Marshall Islands, and in view of the existence of the*
20 *separate agreement regarding mutual security concluded*
21 *with the Government of the Republic of the Marshall Islands*
22 *pursuant to sections 321 and 323, that, even if this Title*
23 *should terminate, any attack on the Republic of the Mar-*
24 *shall Islands during the period in which such separate*
25 *agreement is in effect, would constitute a threat to the peace*

1 *and security of the entire region and a danger to the United*
 2 *States. In the event of such an attack, the Government of*
 3 *the United States would take action to meet the danger to*
 4 *the United States and to the Republic of the Marshall Is-*
 5 *lands in accordance with its constitutional processes.*

6 *(c) As reflected in Article 21(1)(b) of the Trust Fund*
 7 *Agreement, the Government of the United States and the*
 8 *Government of the Republic of the Marshall Islands further*
 9 *recognize, in view of the special relationship between their*
 10 *countries, that even if this Title should terminate, the Gov-*
 11 *ernment of Republic of the Marshall Islands shall refrain*
 12 *from actions which the Government of the United States*
 13 *determines, after appropriate consultation with that Gov-*
 14 *ernment, to be incompatible with its authority and respon-*
 15 *sibility for security and defense matters in or relating to*
 16 *the Republic of the Marshall Islands or the Federated States*
 17 *of Micronesia.*

18 *TITLE FOUR*

19 *GENERAL PROVISIONS*

20 *Article I*

21 *Approval and Effective Date*

22 *Section 411*

23 *Pursuant to section 432 of the Compact and subject*
 24 *to subsection (e) of section 461 of the Compact, as amended,*
 25 *the Compact, as amended, shall come into effect upon mu-*

1 *If a dispute between the Government of the United*
2 *States and the Government of the Republic of the Marshall*
3 *Islands cannot be resolved within 90 days of written notifi-*
4 *cation in the manner provided in section 422, either party*
5 *to the dispute may refer it to arbitration in accordance with*
6 *section 424.*

7 *Section 424*

8 *Should a dispute be referred to arbitration as provided*
9 *for in section 423, an Arbitration Board shall be established*
10 *for the purpose of hearing the dispute and rendering a deci-*
11 *sion which shall be binding upon the two parties to the dis-*
12 *pute unless the two parties mutually agree that the decision*
13 *shall be advisory. Arbitration shall occur according to the*
14 *following terms:*

15 *(a) An Arbitration Board shall consist of a*
16 *Chairman and two other members, each of whom*
17 *shall be a citizen of a party to the dispute. Each of*
18 *the two Governments that is a party to the dispute*
19 *shall appoint one member to the Arbitration Board.*
20 *If either party to the dispute does not fulfill the ap-*
21 *pointment requirements of this section within 30 days*
22 *of referral of the dispute to arbitration pursuant to*
23 *section 423, its member on the Arbitration Board*
24 *shall be selected from its own standing list by the*
25 *other party to the dispute. Each Government shall*

1 *maintain a standing list of 10 candidates. The parties to the dispute shall jointly appoint a Chairman within 15 days after selection of the other members of the Arbitration Board. Failing agreement on a Chairman, the Chairman shall be chosen by lot from the standing lists of the parties to the dispute within 5 days after such failure.*

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8 *(b) Unless otherwise provided in this Compact, as amended, or its related agreements, the Arbitration Board shall have jurisdiction to hear and render its final determination on all disputes arising exclusively under Articles I, II, III, IV and V of Title One, Title Two, Title Four, and their related agreements.*

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14 *(c) Each member of the Arbitration Board shall have one vote. Each decision of the Arbitration Board shall be reached by majority vote.*

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17 *(d) In determining any legal issue, the Arbitration Board may have reference to international law and, in such reference, shall apply as guidelines the provisions set forth in Article 38 of the Statute of the International Court of Justice.*

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22 *(e) The Arbitration Board shall adopt such rules for its proceedings as it may deem appropriate and necessary, but such rules shall not contravene the provisions of this Compact, as amended. Unless the par-*

1 *in accordance with their respective constitutional processes.*
2 *Such mutual termination of this Compact, as amended,*
3 *shall be without prejudice to the continued application of*
4 *section 451 of this Compact, as amended, and the provisions*
5 *of the Compact, as amended, set forth therein.*

6 *Section 442*

7 *Subject to section 452, this Compact, as amended, may*
8 *be terminated by the Government of the United States in*
9 *accordance with its constitutional processes. Such termi-*
10 *nation shall be effective on the date specified in the notice*
11 *of termination by the Government of the United States but*
12 *not earlier than six months following delivery of such no-*
13 *tice. The time specified in the notice of termination may*
14 *be extended. Such termination of this Compact, as amended,*
15 *shall be without prejudice to the continued application of*
16 *section 452 of this Compact, as amended, and the provisions*
17 *of the Compact, as amended, set forth therein.*

18 *Section 443*

19 *This Compact, as amended, shall be terminated by the*
20 *Government of the Republic of the Marshall Islands, pursu-*
21 *ant to its constitutional processes, subject to section 453 if*
22 *the people represented by that Government vote in a plebi-*
23 *scite to terminate the Compact. The Government of the Re-*
24 *public of the Marshall Islands shall notify the Government*
25 *of the United States of its intention to call such a plebiscite,*

1 *which shall take place not earlier than three months after*
2 *delivery of such notice. The plebiscite shall be administered*
3 *by the Government of the Republic of the Marshall Islands*
4 *in accordance with its constitutional and legislative proc-*
5 *esses, but the Government of the United States may send*
6 *its own observers and invite observers from a mutually*
7 *agreed party. If a majority of the valid ballots cast in the*
8 *plebiscite favors termination, the Government of the Repub-*
9 *lic of the Marshall Islands shall, upon certification of the*
10 *results of the plebiscite, give notice of termination to the*
11 *Government of the United States, such termination to be*
12 *effective on the date specified in such notice but not earlier*
13 *than three months following the date of delivery of such no-*
14 *tice. The time specified in the notice of termination may*
15 *be extended.*

16 *Article V*

17 *Survivability*

18 *Section 451*

19 *(a) Should termination occur pursuant to section 441,*
20 *economic and other assistance by the Government of the*
21 *United States shall continue only if and as mutually agreed*
22 *by the Governments of the United States and the Republic*
23 *of the Marshall Islands, and in accordance with the coun-*
24 *tries' respective constitutional processes.*

1 (b) *In view of the special relationship of the United*
2 *States and the Republic of the Marshall Islands, as reflected*
3 *in subsections (b) and (c) of section 354 of this Compact,*
4 *as amended, and the separate agreement entered into con-*
5 *sistent with those subsections, if termination occurs pursu-*
6 *ant to section 441 prior to the twentieth anniversary of the*
7 *effective date of this Compact, as amended, the United*
8 *States shall continue to make contributions to the Trust*
9 *Fund described in section 216 of this Compact, as amended.*

10 (c) *In view of the special relationship of the United*
11 *States and the Republic of the Marshall Islands described*
12 *in subsection (b) of this section, if termination occurs pur-*
13 *suant to section 441 following the twentieth anniversary of*
14 *the effective date of this Compact, as amended, the Republic*
15 *of the Marshall Islands shall be entitled to receive proceeds*
16 *from the Trust Fund described in section 216 of this Com-*
17 *pact, as amended, in the manner described in those provi-*
18 *sions and the Trust Fund Agreement.*

19 *Section 452*

20 (a) *Should termination occur pursuant to section 442*
21 *prior to the twentieth anniversary of the effective date of*
22 *this Compact, as amended, the following provisions of this*
23 *amended Compact shall remain in full force and effect until*
24 *the twentieth anniversary of the effective date of this Com-*
25 *pact, as amended, and thereafter as mutually agreed:*

1 (1) *Article VI and sections 172, 173, 176 and*
2 *177 of Title One;*

3 (2) *Article One and sections 232 and 234 of Title*
4 *Two;*

5 (3) *Title Three; and*

6 (4) *Articles II, III, V and VI of Title Four.*

7 (b) *Should termination occur pursuant to section 442*
8 *before the twentieth anniversary of the effective date of this*
9 *Compact, as amended:*

10 (1) *Except as provided in paragraph (2) of this*
11 *subsection and subsection (c) of this section, economic*
12 *and other assistance by the United States shall con-*
13 *tinue only if and as mutually agreed by the Govern-*
14 *ments of the United States and the Republic of the*
15 *Marshall Islands.*

16 (2) *In view of the special relationship of the*
17 *United States and the Republic of the Marshall Is-*
18 *lands, as reflected in subsections (b) and (c) of section*
19 *354 of this Compact, as amended, and the separate*
20 *agreement regarding mutual security, and the Trust*
21 *Fund Agreement, the United States shall continue to*
22 *make contributions to the Trust Fund described in*
23 *section 216 of this Compact, as amended, in the man-*
24 *ner described in the Trust Fund Agreement.*

1 (c) *In view of the special relationship of the United*
2 *States and the Republic of the Marshall Islands, as reflected*
3 *in subsections 354(b) and (c) of this Compact, as amended,*
4 *and the separate agreement regarding mutual security, and*
5 *the Trust Fund Agreement, if termination occurs pursuant*
6 *to section 442 following the twentieth anniversary of the*
7 *effective date of this Compact, as amended, the Republic of*
8 *the Marshall Islands shall continue to be eligible to receive*
9 *proceeds from the Trust Fund described in section 216 of*
10 *this Compact, as amended, in the manner described in those*
11 *provisions and the Trust Fund Agreement.*

12 *Section 453*

13 (a) *Should termination occur pursuant to section 443*
14 *prior to the twentieth anniversary of the effective date of*
15 *this Compact, as amended, the following provisions of this*
16 *Compact, as amended, shall remain in full force and effect*
17 *until the twentieth anniversary of the effective date of this*
18 *Compact, as amended, and thereafter as mutually agreed:*

19 (1) *Article VI and sections 172, 173, 176 and*
20 *177 of Title One;*

21 (2) *Sections 232 and 234 of Title Two;*

22 (3) *Title Three; and*

23 (4) *Articles II, III, V and VI of Title Four.*

24 (b) *Upon receipt of notice of termination pursuant to*
25 *section 443, the Government of the United States and the*

1 *Government of the Republic of the Marshall Islands shall*
2 *promptly consult with regard to their future relationship.*
3 *Except as provided in subsections (c) and (d) of this section,*
4 *these consultations shall determine the level of economic and*
5 *other assistance, if any, which the Government of the*
6 *United States shall provide to the Government of the Repub-*
7 *lic of the Marshall Islands for the period ending on the*
8 *twentieth anniversary of the effective date of this Compact,*
9 *as amended, and for any period thereafter, if mutually*
10 *agreed.*

11 *(c) In view of the special relationship of the United*
12 *States and the Republic of the Marshall Islands, as reflected*
13 *in subsections 354(b) and (c) of this Compact, as amended,*
14 *and the separate agreement regarding mutual security, and*
15 *the Trust Fund Agreement, if termination occurs pursuant*
16 *to section 443 prior to the twentieth anniversary of the effec-*
17 *tive date of this Compact, as amended, the United States*
18 *shall continue to make contributions to the Trust Fund de-*
19 *scribed in section 216 of this Compact, as amended.*

20 *(d) In view of the special relationship of the United*
21 *States and the Republic of the Marshall Islands, as reflected*
22 *in subsections 354(b) and (c) of this Compact, as amended,*
23 *and the separate agreement regarding mutual security, and*
24 *the Trust Fund Agreement, if termination occurs pursuant*
25 *to section 443 following the twentieth anniversary of the*

1 *effective date of this Compact, as amended, the Republic of*
2 *the Marshall Islands shall continue to be eligible to receive*
3 *proceeds from the Trust Fund described in section 216 of*
4 *this Compact, as amended, in the manner described in those*
5 *provisions and the Trust Fund Agreement.*

6 *Section 454*

7 *Notwithstanding any other provision of this Compact,*
8 *as amended:*

9 *(a) The Government of the United States reaffirms its continuing interest in promoting the economic advancement and budgetary self-reliance of the people of the Republic of the Marshall Islands.*

13 *(b) The separate agreements referred to in Article II of Title Three shall remain in effect in accordance with their terms.*

16 *Article VI*

17 *Definition of Terms*

18 *Section 461*

19 *For the purpose of this Compact, as amended, only,*
20 *and without prejudice to the views of the Government of*
21 *the United States or the Government of the Republic of the*
22 *Marshall Islands as to the nature and extent of the jurisdiction of either of them under international law, the following*
23 *terms shall have the following meanings:*
24

1 (a) *“Trust Territory of the Pacific Islands”*
2 *means the area established in the Trusteeship Agree-*
3 *ment consisting of the former administrative districts*
4 *of Kosrae, Yap, Ponape, the Marshall Islands and*
5 *Truk as described in Title One, Trust Territory Code,*
6 *section 1, in force on January 1, 1979. This term*
7 *does not include the area of Palau or the Northern*
8 *Mariana Islands.*

9 (b) *“Trusteeship Agreement” means the agree-*
10 *ment setting forth the terms of trusteeship for the*
11 *Trust Territory of the Pacific Islands, approved by*
12 *the Security Council of the United Nations April 2,*
13 *1947, and by the United States July 18, 1947, en-*
14 *tered into force July 18, 1947, 61 Stat. 3301, T.I.A.S.*
15 *1665, 8 U.N.T.S. 189.*

16 (c) *“The Republic of the Marshall Islands” and*
17 *“the Federated States of Micronesia” are used in a*
18 *geographic sense and include the land and water*
19 *areas to the outer limits of the territorial sea and the*
20 *air space above such areas as now or hereafter recog-*
21 *nized by the Government of the United States.*

22 (d) *“Compact” means the Compact of Free Asso-*
23 *ciation Between the United States and the Federated*
24 *States of Micronesia and the Marshall Islands, that*
25 *was approved by the United States Congress in sec-*

1 *tion 201 of Public Law 99–239 (Jan. 14, 1986) and*
2 *went into effect with respect to the Republic of the*
3 *Marshall Islands on October 21, 1986.*

4 (e) “Compact, as amended” means the Compact
5 *of Free Association Between the United States and*
6 *the Republic of the Marshall Islands, as amended. The*
7 *effective date of the Compact, as amended, shall be on*
8 *a date to be determined by the President of the United*
9 *States, and agreed to by the Government of the Re-*
10 *public of the Marshall Islands, following formal ap-*
11 *proval of the Compact, as amended, in accordance*
12 *with section 411 of this Compact, as amended.*

13 (f) “Government of the Republic of the Marshall
14 *Islands” means the Government established and orga-*
15 *nized by the Constitution of the Republic of the Mar-*
16 *shall Islands including all the political subdivisions*
17 *and entities comprising that Government.*

18 (g) “Government of the Federated States of Mi-
19 *cronesia” means the Government established and or-*
20 *ganized by the Constitution of the Federated States of*
21 *Micronesia including all the political subdivisions*
22 *and entities comprising that Government.*

23 (h) *The following terms shall be defined con-*
24 *sistent with the 1978 Edition of the Radio Regula-*

1 *tions of the International Telecommunications as fol-*
2 *lows:*

3 (1) “*Radiocommunication*” means tele-
4 *communication by means of radio waves.*

5 (2) “*Station*” means one or more transmit-
6 *ters or receivers or a combination of transmitters*
7 *and receivers, including the accessory equipment,*
8 *necessary at one location for carrying on a*
9 *radiocommunication service, or the radio astron-*
10 *omy service.*

11 (3) “*Broadcasting Service*” means a
12 *radiocommunication service in which the trans-*
13 *missions are intended for direct reception by the*
14 *general public. This service may include sound*
15 *transmissions, television transmissions or other*
16 *types of transmission.*

17 (4) “*Broadcasting Station*” means a station
18 *in the broadcasting service.*

19 (5) “*Assignment (of a radio frequency or*
20 *radio frequency channel)*” means an authoriza-
21 *tion given by an administration for a radio sta-*
22 *tion to use a radio frequency or radio frequency*
23 *channel under specified conditions.*

24 (6) “*Telecommunication*” means any trans-
25 *mission, emission or reception of signs, signals,*

1 *writings, images and sounds or intelligence of*
2 *any nature by wire, radio, optical or other elec-*
3 *tromagnetic systems.*

4 (i) “*Military Areas and Facilities*” means those
5 *areas and facilities in the Republic of the Marshall*
6 *Islands reserved or acquired by the Government of the*
7 *Republic of the Marshall Islands for use by the Gov-*
8 *ernment of the United States, as set forth in the sepa-*
9 *rate agreements referred to in section 321.*

10 (j) “*Tariff Schedules of the United States*”
11 *means the Tariff Schedules of the United States as*
12 *amended from time to time and as promulgated pur-*
13 *suant to United States law and includes the Tariff*
14 *Schedules of the United States Annotated (TSUSA),*
15 *as amended.*

16 (k) “*Vienna Convention on Diplomatic Rela-*
17 *tions*” means the *Vienna Convention on Diplomatic*
18 *Relations, done April 18, 1961, 23 U.S.T. 3227,*
19 *T.I.A.S. 7502, 500 U.N.T.S. 95.*

20 Section 462

21 (a) *The Government of the United States and the Gov-*
22 *ernment of the Republic of the Marshall Islands previously*
23 *have concluded agreements, which shall remain in effect and*
24 *shall survive in accordance with their terms, as follows:*

1 (1) *Agreement Between the Government of the*
2 *United States and the Government of the Marshall Is-*
3 *lands for the Implementation of Section 177 of the*
4 *Compact of Free Association;*

5 (2) *Agreement Between the Government of the*
6 *United States and the Government of the Marshall Is-*
7 *lands by Persons Displaced as a Result of the United*
8 *States Nuclear Testing Program in the Marshall Is-*
9 *lands;*

10 (3) *Agreement Between the Government of the*
11 *United States and the Government of the Marshall Is-*
12 *lands Regarding the Resettlement of Enjebi Island;*

13 (4) *Agreement Concluded Pursuant to Section*
14 *234 of the Compact; and*

15 (5) *Agreement Between the Government of the*
16 *United States and the Government of the Marshall Is-*
17 *lands Regarding Mutual Security Concluded Pursu-*
18 *ant to Sections 321 and 323 of the Compact of Free*
19 *Association.*

20 (b) *The Government of the United States and the Gov-*
21 *ernment of the Republic of the Marshall Islands shall con-*
22 *clude prior to the date of submission of this Compact to*
23 *the legislatures of the two countries, the following related*
24 *agreements which shall come into effect on the effective date*

1 *of this Compact, as amended, and shall survive in accord-*
2 *ance with their terms, as follows:*

3 (1) *Federal Programs and Services Agreement*
4 *Between the Government of the United States of*
5 *America and the Government of the Republic of the*
6 *Marshall Islands Concluded Pursuant to Article III of*
7 *Title One, Article II of Title Two (including Section*
8 *222), and Section 231 of the Compact of Free Asso-*
9 *ciation, as Amended, which include:*

10 (i) *Postal Services and Related Programs;*

11 (ii) *Weather Services and Related Pro-*
12 *grams;*

13 (iii) *Civil Aviation Safety Service and Re-*
14 *lated Programs;*

15 (iv) *Civil Aviation Economic Services and*
16 *Related Programs;*

17 (v) *United States Disaster Preparedness*
18 *and Response Services and Related Programs;*

19 *and*

20 (vi) *Telecommunications Services and Re-*
21 *lated Programs.*

22 (2) *Agreement Between the Government of the*
23 *United States of America and the Government of the*
24 *Republic of the Marshall Islands on Extradition, Mu-*
25 *tual Assistance in Law Enforcement Matters and*

1 *Penal Sanctions Concluded Pursuant to Section 175*
2 *(a) of the Compact of Free Association, as Amended;*

3 *(3) Agreement Between the Government of the*
4 *United States of America and the Government of the*
5 *Republic of the Marshall Islands on Labor Recruit-*
6 *ment Concluded Pursuant to Section 175 (b) of the*
7 *Compact of Free Association, as Amended;*

8 *(4) Agreement Concerning Procedures for the Im-*
9 *plementation of United States Economic Assistance*
10 *Provided in the Compact, as Amended, of Free Asso-*
11 *ciation Between the Government of the United States*
12 *of America and the Government of the Republic of the*
13 *Marshall Islands;*

14 *(5) Agreement Between the Government of the*
15 *United States of America and the Government of the*
16 *Republic of the Marshall Islands Implementing Sec-*
17 *tion 216 and Section 217 of the Compact, as Amend-*
18 *ed, Regarding a Trust Fund;*

19 *(6) Agreement Regarding the Military Use and*
20 *Operating Rights of the Government of the United*
21 *States in the Republic of the Marshall Islands Con-*
22 *cluded Pursuant to Sections 321 and 323 of the Com-*
23 *pact of Free Association, as Amended; and,*

24 *(7) Status of Forces Agreement Between the Gov-*
25 *ernment of the United States of America and the Gov-*

1 *Both the Government of the United States and the Gov-*
 2 *ernment of the Republic of the Marshall Islands shall take*
 3 *all necessary steps, of a general or particular character, to*
 4 *ensure, no later than the entry into force date of this Com-*
 5 *pact, as amended, the conformity of its laws, regulations*
 6 *and administrative procedures with the provisions of this*
 7 *Compact, as amended, or, in the case of subsection (d) of*
 8 *section 141, as soon as reasonably possible thereafter.*

9 *Section 472*

10 *This Compact, as amended, may be accepted, by signa-*
 11 *ture or otherwise, by the Government of the United States*
 12 *and the Government of the Republic of the Marshall Islands.*

13 *IN WITNESS WHEREOF, the undersigned, duly au-*
 14 *thorized, have signed this Compact of Free Association, as*
 15 *amended, which shall enter into force upon the exchange*
 16 *of diplomatic notes by which the Government of the United*
 17 *States of America and the Government of the Republic of*
 18 *the Marshall Islands inform each other about the fulfillment*
 19 *of their respective requirements for entry into force.*

20 *DONE at Majuro, Republic of the Marshall Islands,*
 21 *in duplicate, this thirtieth (30) day of April, 2003, each*
 22 *text being equally authentic.*

Signed (May 14, 2003)
For the Government of the
United States of America:

Signed (May 14, 2003)
For the Government of the
Federated States of
Micronesia:

Approved _____, 2003.

Strike out the preamble and insert:

Whereas the United States (in accordance with the Trusteeship Agreement for the Trust Territory of the Pacific Islands, the United Nations Charter, and the objectives of the international trusteeship system of the United Nations) fulfilled its obligations to promote the development of the people of the Trust Territory toward self-government or independence as appropriate to the particular circumstances of the Trust Territory and its peoples and the freely expressed wishes of the peoples concerned;

Whereas the United States, the Federated States of Micronesia, and the Republic of the Marshall Islands entered into the Compact of Free Association set forth in title II of Public Law 99–239, January 14, 1986, 99 Stat. 1770, to create and maintain a close and mutually beneficial relationship;

Whereas the United States, in accordance with section 231 of the Compact of Free Association entered into negotiations with the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands to provide continued United States assistance and to reaffirm its commitment to this close and beneficial relationship; and

Whereas these negotiations, in accordance with section 431 of the Compact, resulted in the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Federated States of Micronesia”, and the “Compact of Free Association, as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands”, which, together with their related agreements, were signed by the Government of the United States and the Governments of the Federated States of Micronesia

and the Republic of the Marshall Islands on May 14, and April 30, 2003, respectively: Now, therefore, be it

Amend the title so as to read: “A joint resolution to approve the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia, and the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, and to appropriate funds to carry out the amended Compacts.”.

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

H. J. RES. 63

AMENDMENTS