

Calendar No. 489

110TH CONGRESS
1ST SESSION**H. R. 2705**

IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2007

Received; read twice and placed on the calendar

AN ACT

To amend the Compact of Free Association Amendments Act of 2003, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Compacts of Free As-
5 sociation Amendments Act of 2007”.

6 **SEC. 2. APPROVAL OF AGREEMENTS.**

7 (a) IN GENERAL.—Section 101 of the Compact of
8 Free Association Amendments Act of 2003 (48 U.S.C.
9 1921) is amended—

10 (1) in the first sentence of subsection (a), by in-
11 serting before the period at the end the following: “,

1 including Article X of the Federal Programs and
2 Services Agreement Between the Government of the
3 United States and the Government of the Federated
4 States of Micronesia, as amended under the Agree-
5 ment to Amend Article X that was signed by those
6 two Governments on June 30, 2004, which shall
7 serve as the authority to implement the provisions
8 thereof”; and

9 (2) in the first sentence of subsection (b), by in-
10 sserting before the period at the end the following: “,
11 including Article X of the Federal Programs and
12 Services Agreement Between the Government of the
13 United States and the Government of the Republic
14 of the Marshall Islands, as amended under the
15 Agreement to Amend Article X that was signed by
16 those two Governments on June 18, 2004, which
17 shall serve as the authority to implement the provi-
18 sions thereof”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 subsection (a) shall be effective as of April 30, 2008.

21 **SEC. 3. FUNDS TO FACILITATE FEDERAL ACTIVITIES.**

22 Unobligated amounts appropriated before the date of
23 the enactment of this Act pursuant to section
24 105(f)(1)(A)(ii) of the Compact of Free Association
25 Amendments Act of 2003 shall be available to both the

1 United States Agency for International Development and
2 the Federal Emergency Management Agency to facilitate
3 each agency’s activities under the Federal Programs and
4 Services Agreements.

5 **SEC. 4. CONFORMING AMENDMENT.**

6 (a) IN GENERAL.—Section 105(f)(1)(A) of the Com-
7 pact of Free Association Amendments Act of 2003 (48
8 U.S.C. 1921d(f)(1)(A)) is amended to read as follows:

9 “(A) EMERGENCY AND DISASTER ASSIST-
10 ANCE.—

11 “(i) IN GENERAL.—Subject to clause
12 (ii), section 221(a)(6) of the U.S.–FSM
13 Compact and section 221(a)(5) of the
14 U.S.–RMI Compact shall each be con-
15 strued and applied in accordance with the
16 two Agreements to Amend Article X of the
17 Federal Programs and Service Agreements
18 signed on June 30, 2004, and on June 18,
19 2004, respectively, provided that all activi-
20 ties carried out by the United States Agen-
21 cy for International Development and the
22 Federal Emergency Management Agency
23 under Article X of the Federal Programs
24 and Services Agreements may be carried
25 out notwithstanding any other provision of

1 law. In the sections referred to in this
2 clause, the term ‘United States Agency for
3 International Development, Office of For-
4 eign Disaster Assistance’ shall be con-
5 strued to mean ‘the United States Agency
6 for International Development’.

7 “(ii) DEFINITION OF WILL PROVIDE
8 FUNDING.—In the second sentence of
9 paragraph 12 of each of the Agreements
10 described in clause (i), the term ‘will pro-
11 vide funding’ means will provide funding
12 through a transfer of funds using Stand-
13 ard Form 1151 or a similar document or
14 through an interagency, reimbursable
15 agreement.”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 subsection (a) shall be effective as of April 30, 2008.

18 **SEC. 5. CLARIFICATIONS REGARDING PALAU.**

19 Section 105(f)(1)(B) of the Compact of Free Associa-
20 tion Amendments Act of 2003 (48 U.S.C. 1921d(f)(1)(B))
21 is amended—

22 (1) in clause (ii)(II), by striking “and its terri-
23 tories” and inserting “, its territories, and the Re-
24 public of Palau”;

1 (2) in clause (iii)(II), by striking “, or the Re-
2 public of the Marshall Islands” and inserting “, the
3 Republic of the Marshall Islands, or the Republic of
4 Palau”; and

5 (3) in clause (ix)—

6 (A) by striking “Republic” both places it
7 appears and inserting “government, institu-
8 tions, and people”;

9 (B) by striking “2007” and inserting
10 “2009”; and

11 (C) by striking “was” and inserting
12 “were”.

13 **SEC. 6. AVAILABILITY OF LEGAL SERVICES.**

14 Section 105(f)(1)(C) of the Compact of Free Associa-
15 tion Amendments Act of 2003 (48 U.S.C. 1921d(f)(1)(C))
16 is amended by inserting before the period at the end the
17 following: “, which shall also continue to be available to
18 the citizens of the Federated States of Micronesia, the Re-
19 public of Palau, and the Republic of the Marshall Islands
20 who legally reside in the United States (including terri-
21 tories and possessions)”.

22 **SEC. 7. TECHNICAL AMENDMENTS.**

23 (a) TITLE I.—

24 (1) SECTION 177 AGREEMENT.—Section
25 103(c)(1) of the Compact of Free Association

1 Amendments Act of 2003 (48 U.S.C. 1921b(c)(1)) is
2 amended by striking “section 177” and inserting
3 “Section 177”.

4 (2) INTERPRETATION AND UNITED STATES
5 POLICY.—Section 104 of the Compact of Free Asso-
6 ciation Amendments Act of 2003 (48 U.S.C. 1921c)
7 is amended—

8 (A) in subsection (b)(1), by inserting “the”
9 before “U.S.–RMI Compact,”;

10 (B) in subsection (e)—

11 (i) in the matter preceding subpara-
12 graph (A) of paragraph (8), by striking
13 “to include” and inserting “and include”;

14 (ii) in paragraph (9)(A), by inserting
15 a comma after “may”; and

16 (iii) in paragraph (10), by striking
17 “related to service” and inserting “related
18 to such services”; and

19 (C) in the first sentence of subsection (j),
20 by inserting “the” before “Interior”.

21 (3) SUPPLEMENTAL PROVISIONS.—Section
22 105(b)(1) of the Compact of Free Association
23 Amendments Act of 2003 (48 U.S.C. 1921d(b)(1))
24 is amended by striking “Trust Fund” and inserting
25 “Trust Funds”.

1 (b) TITLE II.—

2 (1) U.S.—FSM COMPACT.—The Compact of
3 Free Association, as amended, between the Govern-
4 ment of the United States of America and the Gov-
5 ernment of the Federated States of Micronesia (as
6 provided in section 201(a) of the Compact of Free
7 Association Amendments Act of 2003 (117 Stat.
8 2757)) is amended—

9 (A) in section 174—

10 (i) in subsection (a), by striking
11 “courts” and inserting “court”; and

12 (ii) in subsection (b)(2), by striking
13 “the” before “November”;

14 (B) in section 177(a), by striking “, or
15 Palau” and inserting “(or Palau)”;

16 (C) in section 179(b), by striking “amend-
17 ed Compact” and inserting “Compact, as
18 amended,”;

19 (D) in section 211—

20 (i) in the fourth sentence of sub-
21 section (a), by striking “Compact, as
22 Amended, of Free Association” and insert-
23 ing “Compact of Free Association, as
24 amended”;

1 (ii) in the fifth sentence of subsection
2 (a), by striking “Trust Fund Agreement,”
3 and inserting “Agreement Between the
4 Government of the United States of Amer-
5 ica and the Government of the Federated
6 States of Micronesia Implementing Section
7 215 and Section 216 of the Compact, as
8 Amended, Regarding a Trust Fund (Trust
9 Fund Agreement),”;

10 (iii) in subsection (b)—

11 (I) in the first sentence, by strik-
12 ing “Government of the” before “Fed-
13 erated”; and

14 (II) in the second sentence, by
15 striking “Sections 321 and 323 of the
16 Compact of Free Association, as
17 Amended” and inserting “Sections
18 211(b), 321, and 323 of the Compact
19 of Free Association, as amended,”;
20 and

21 (iv) in the last sentence of subsection
22 (d), by inserting before the period at the
23 end the following: “and the Federal Pro-
24 grams and Services Agreement referred to
25 in section 231”;

1 (E) in the first sentence of section 215(b),
2 by striking “subsection(a)” and inserting “sub-
3 section (a)”;

4 (F) in section 221—

5 (i) in subsection (a)(6), by inserting
6 “(Federal Emergency Management Agen-
7 cy)” after “Homeland Security”; and

8 (ii) in the first sentence of subsection
9 (c), by striking “agreements” and inserting
10 “agreement”;

11 (G) in the second sentence of section 222,
12 by inserting “in” after “referred to”;

13 (H) in the second sentence of section 232,
14 by striking “sections 102 (c)” and all that fol-
15 lows through “January 14, 1986)” and insert-
16 ing “section 102(b) of Public Law 108–188,
17 117 Stat. 2726, December 17, 2003”;

18 (I) in the second sentence of section 252,
19 by inserting “, as amended,” after “Compact”;

20 (J) in the first sentence of the first undes-
21 ignated paragraph of section 341, by striking
22 “Section 141” and inserting “section 141”;

23 (K) in section 342—

1 (i) in subsection (a), by striking “14
2 U.S.C. 195” and inserting “section 195 of
3 title 14, United States Code”; and

4 (ii) in subsection (b)—

5 (I) by striking “46 U.S.C.
6 1295(b)(6)” and inserting “section
7 1303(b)(6) of the Merchant Marine
8 Act, 1936 (46 U.S.C. 1295b(b)(6))”;
9 and

10 (II) by striking “46 U.S.C.
11 1295b(b)(6)(C)” and inserting “sec-
12 tion 1303(b)(6)(C) of that Act”;

13 (L) in the third sentence of section 354(a),
14 by striking “section 442 and 452” and insert-
15 ing “sections 442 and 452”;

16 (M) in section 461(h), by striking “Tele-
17 communications” and inserting “Telecommuni-
18 cation”;

19 (N) in section 462(b)(4), by striking “of
20 Free Association” the second place it appears;
21 and

22 (O) in section 463(b), by striking “Articles
23 IV” and inserting “Article IV”.

24 (2) U.S.—RMI COMPACT.—The Compact of
25 Free Association, as amended, between the Govern-

1 ment of the United States of America and the Gov-
2 ernment of the Republic of the Marshall Islands (as
3 provided in section 201(b) of the Compact of Free
4 Association Amendments Act of 2003 (117 Stat.
5 2795)) is amended—

6 (A) in section 174(a), by striking “court”
7 and inserting “courts”;

8 (B) in section 177(a), by striking the
9 comma before “(or Palau)”;

10 (C) in section 179(b), by striking “amend-
11 ed Compact,” and inserting “Compact, as
12 amended,”;

13 (D) in section 211—

14 (i) in the fourth sentence of sub-
15 section (a), by striking “Compact, as
16 Amended, of Free Association” and insert-
17 ing “Compact of Free Association, as
18 amended”;

19 (ii) in the first sentence of subsection
20 (b), by striking “Agreement between the
21 Government of the United States and the
22 Government of the Republic of the Mar-
23 shall Islands Regarding Military Use and
24 Operating Rights” and inserting “Agree-
25 ment Regarding the Military Use and Op-

1 erating Rights of the Government of the
2 United States in the Republic of the Mar-
3 shall Islands concluded Pursuant to Sec-
4 tions 321 and 323 of the Compact of Free
5 Association, as Amended (Agreement be-
6 tween the Government of the United
7 States and the Government of the Republic
8 of the Marshall Islands Regarding Military
9 Use and Operating Rights)”; and

10 (iii) in the last sentence of subsection
11 (e), by inserting before the period at the
12 end the following: “and the Federal Pro-
13 grams and Services Agreement referred to
14 in section 231”;

15 (E) in section 221(a)—

16 (i) in the matter preceding paragraph
17 (1), by striking “Section 231” and insert-
18 ing “section 231”; and

19 (ii) in paragraph (5), by inserting
20 “(Federal Emergency Management Agen-
21 cy)” after “Homeland Security”;

22 (F) in the second sentence of section 232,
23 by striking “sections 103(m)” and all that fol-
24 lows through “(January 14, 1986)” and insert-

1 ing “section 103(k) of Public Law 108–188,
2 117 Stat. 2734, December 17, 2003”;

3 (G) in the first sentence of section 341, by
4 striking “Section 141” and inserting “section
5 141”;

6 (H) in section 342—

7 (i) in subsection (a), by striking “14
8 U.S.C. 195” and inserting “section 195 of
9 title 14, United States Code”; and

10 (ii) in subsection (b)—

11 (I) by striking “46 U.S.C.
12 1295(b)(6)” and inserting “section
13 1303(b)(6) of the Merchant Marine
14 Act, 1936 (46 U.S.C. 1295b(b)(6))”;
15 and

16 (II) by striking “46 U.S.C.
17 1295b(b)(6)(C)” and inserting “sec-
18 tion 1303(b)(6)(C) of that Act”;

19 (I) in the third sentence of section 354(a),
20 by striking “section 442 and 452” and insert-
21 ing “sections 442 and 452”;

22 (J) in the first sentence of section 443, by
23 inserting “, as amended.” after “the Compact”;

24 (K) in the matter preceding paragraph (1)
25 of section 461(h)—

- 1 (i) by striking “1978” and inserting
2 “1998”; and
3 (ii) by striking “Telecommunications”
4 and inserting “Telecommunication Union”;
5 and
6 (L) in section 463(b), by striking “Article”
7 and inserting “Articles”.

8 **SEC. 8. TRANSMISSION OF VIDEOTAPE PROGRAMMING.**

9 Section 111(e)(2) of title 17, United States Code, is
10 amended by striking “or the Trust Territory of the Pacific
11 Islands” and inserting “the Federated States of Micro-
12 nesia, the Republic of Palau, or the Republic of the Mar-
13 shall Islands”.

14 **SEC. 9. PALAU ROAD MAINTENANCE.**

15 The Government of the Republic of Palau may de-
16 posit the payment otherwise payable to the Government
17 of the United States under section 111 of Public Law
18 101–219 (48 U.S.C. 1960) into a trust fund if—

- 19 (1) the earnings of the trust fund are expended
20 solely for maintenance of the road system con-
21 structed pursuant to section 212 of the Compact of
22 Free Association between the Government of the
23 United States of America and the Government of
24 Palau (48 U.S.C. 1931 note); and

1 (2) the trust fund is established and operated
2 pursuant to an agreement entered into between the
3 Government of the United States and the Govern-
4 ment of the Republic of Palau.

5 **SEC. 10. CLARIFICATION OF TAX-FREE STATUS OF TRUST**
6 **FUNDS.**

7 In the U.S.–RMI Compact, the U.S.–FSM Compact,
8 and their respective trust fund subsidiary agreements, for
9 the purposes of taxation by the United States or its sub-
10 sidiary jurisdictions, the term “State” means “State, ter-
11 ritory, or the District of Columbia”.

12 **SEC. 11. TRANSFER OF NAVAL VESSELS TO CERTAIN FOR-**
13 **EIGN RECIPIENTS.**

14 (a) **TRANSFERS BY GRANT.**—The President is au-
15 thorized to transfer vessels to foreign countries on a grant
16 basis under section 516 of the Foreign Assistance Act of
17 1961 (22 U.S.C. 2321j), as follows:

18 (1) **TURKEY.**—To the Government of Turkey—

19 (A) the OLIVER HAZARD PERRY class
20 guided missile frigates GEORGE PHILIP
21 (FFG–12) and SIDES (FFG–14); and

22 (B) the OSPREY class minehunter coastal
23 ship BLACKHAWK (MHC–58).

24 (2) **LITHUANIA.**—To the Government of Lith-
25 uania, the OSPREY class minehunter coastal ships

1 CORMORANT (MHC-57) and KINGFISHER
2 (MHC-56).

3 (b) TRANSFERS BY SALE.—The President is author-
4 ized to transfer vessels to foreign recipients on a sale basis
5 under section 21 of the Arms Export Control Act (22
6 U.S.C. 2761), as follows:

7 (1) TAIWAN.—To the Taipei Economic and
8 Cultural Representative Office in the United States
9 (which is the Taiwan instrumentality designated
10 pursuant to section 10(a) of the Taiwan Relations
11 Act (22 U.S.C. 3309(a))), the OSPREY class
12 minehunter coastal ships ORIOLE (MHC-55) and
13 FALCON (MHC-59).

14 (2) TURKEY.—To the Government of Turkey,
15 the OSPREY class minehunter coastal ship
16 SHRIKE (MHC-62).

17 (c) GRANTS NOT COUNTED IN ANNUAL TOTAL OF
18 TRANSFERRED EXCESS DEFENSE ARTICLES.—The value
19 of a vessel transferred to a recipient on a grant basis pur-
20 suant to authority provided by subsection (a) shall not be
21 counted against the aggregate value of excess defense arti-
22 cles transferred in any fiscal year under section 516(g)
23 of the Foreign Assistance Act of 1961.

1 (d) COSTS OF TRANSFERS.—Any expense incurred by
2 the United States in connection with a transfer authorized
3 by this section shall be charged to the recipient.

4 (e) REPAIR AND REFURBISHMENT IN UNITED
5 STATES SHIPYARDS.—To the maximum extent prac-
6 ticable, the President shall require, as a condition of the
7 transfer of a vessel under this section, that the recipient
8 to which the vessel is transferred have such repair or re-
9 furbishment of the vessel as is needed before the vessel
10 joins the naval forces of the recipient performed at a ship-
11 yard located in the United States, including a United
12 States Navy shipyard.

13 (f) EXPIRATION OF AUTHORITY.—The authority to
14 transfer a vessel under this section shall expire at the end
15 of the 2-year period beginning on the date of the enact-
16 ment of this Act.

Passed the House of Representatives November 13,
2007.

Attest: LORRAINE C. MILLER,
Clerk.

Calendar No. 489

110TH CONGRESS
1ST Session

H. R. 2705

AN ACT

To amend the Compact of Free Association
Amendments Act of 2003, and for other purposes.

NOVEMBER 14, 2007

Received; read twice and placed on the calendar