

113TH CONGRESS
1ST SESSION

S. 1268

To approve an agreement between the United States and the Republic of Palau.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2013

Mr. WYDEN (by request) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To approve an agreement between the United States and the Republic of Palau.

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. APPROVAL OF THE AGREEMENT BETWEEN THE**
4 **UNITED STATES AND THE REPUBLIC OF**
5 **PALAU.**

6 (a) DEFINITIONS.—In this section:

7 (1) AGREEMENT.—The term “Agreement”
8 means the Agreement and appendices signed by the
9 United States and the Republic of Palau on Sep-
10 tember 3, 2010.

1 (2) COMPACT OF FREE ASSOCIATION.—The
2 term “Compact of Free Association” means the
3 Compact of Free Association between the Govern-
4 ment of the United States of America and the Gov-
5 ernment of Palau (48 U.S.C. 1931 note; Public Law
6 99–658).

7 (b) RESULTS OF COMPACT REVIEW.—

8 (1) IN GENERAL.—Title I of Public Law 99–
9 658 (48 U.S.C. 1931 et seq.) is amended by adding
10 at the end the following:

11 **“SEC. 105. RESULTS OF COMPACT REVIEW.**

12 “(a) IN GENERAL.—The Agreement and appendices
13 signed by the United States and the Republic of Palau
14 on September 3, 2010 (referred to in this section as the
15 ‘Agreement’), in connection with section 432 of the Com-
16 pact of Free Association between the Government of the
17 United States of America and the Government of Palau
18 (48 U.S.C. 1931 note; Public Law 99–658) (referred to
19 in this section as the ‘Compact of Free Association’), are
20 approved—

21 “(1) except for the extension of article X of the
22 Agreement Regarding Federal Programs and Serv-
23 ices, and Concluded Pursuant to article II of title II
24 and section 232 of the Compact of Free Association;
25 and

1 “(2) subject to the provisions of this section.

2 “(b) WITHHOLDING OF FUNDS.—If the Republic of
3 Palau withdraws more than \$5,000,000 from the trust
4 fund established under section 211(f) of the Compact of
5 Free Association in any of fiscal years 2011, 2012, or
6 2013, amounts payable under sections 1, 2(a), 3, and 4(a),
7 of the Agreement shall be withheld from the Republic of
8 Palau until the date on which the Republic of Palau reim-
9 burses the trust fund for the total amounts withdrawn
10 that exceeded \$5,000,000 in any of those fiscal years.

11 “(c) FUNDING FOR CERTAIN PROVISIONS UNDER
12 SECTION 105 OF COMPACT OF FREE ASSOCIATION.—
13 Within 30 days of enactment of this section, out of any
14 funds in the Treasury not otherwise appropriated, the Sec-
15 retary of the Treasury shall transfer to the Secretary of
16 the Interior such sums as are necessary for the Secretary
17 of the Interior to implement sections 1, 2(a), 3, 4(a), and
18 5 of the Agreement, which sums shall remain available
19 until expended without any further appropriation.

20 “(d) AUTHORIZATIONS OF APPROPRIATIONS.—There
21 are authorized to be appropriated—

22 “(1) to the Secretary of the Interior to sub-
23 sidize postal services provided by the United States
24 Postal Service to the Republic of Palau, the Repub-
25 lic of the Marshall Islands, and the Federated States

1 of Micronesia \$1,500,000 for each of fiscal years
 2 2014 through 2024, to remain available until ex-
 3 pended; and

4 “(2) to the head of each Federal entity de-
 5 scribed in paragraphs (1), (3), and (4) of section
 6 221(a) of the Compact of Free Association (includ-
 7 ing the successor of each Federal entity) to carry
 8 out the responsibilities of the Federal entity under
 9 section 221(a) of the Compact of Free Association
 10 such sums as are necessary, to remain available
 11 until expended.”.

12 (2) OFFSET.—Section 3 of the Act of June 30,
 13 1954 (68 Stat. 330, 82 Stat. 1213, chapter 423), is
 14 repealed.

15 (c) PAYMENT SCHEDULE; WITHHOLDING OF FUNDS;
 16 FUNDING.—

17 (1) COMPACT SECTION 211(f) FUND.—Section
 18 1 of the Agreement shall be construed as though the
 19 section reads as follows:

20 **“SECTION 1. COMPACT SECTION 211(f) FUND.**

21 “The Government of the United States of America
 22 (the ‘Government of the United States’) shall contribute
 23 \$30,250,000 to the Fund referred to in section 211(f) of
 24 the Compact in accordance with the following schedule—

25 “(1) \$11,000,000 in fiscal year 2014;

1 “(2) \$3,000,000 in each of fiscal years 2015
2 through 2017;

3 “(3) \$2,000,000 in each of fiscal years 2018
4 through 2022; and

5 “(4) \$250,000 in fiscal year 2023.”.

6 (2) INFRASTRUCTURE MAINTENANCE FUND.—

7 Subsection (a) of section 2 of the Agreement shall
8 be construed as though the subsection reads as fol-
9 lows:

10 “(a) The Government of the United States shall pro-
11 vide a grant of \$6,912,000 for fiscal year 2014 and a
12 grant of \$2,000,000 annually from the beginning of fiscal
13 year 2015 through fiscal year 2024 to create a trust fund
14 (the ‘Infrastructure Maintenance Fund’) to be used for
15 the routine and periodic maintenance of major capital im-
16 provement projects financed by funds provided by the
17 United States. The Government of the Republic of Palau
18 will match the contributions made by the United States
19 by making contributions of \$150,000 to the Infrastructure
20 Maintenance Fund on a quarterly basis from the begin-
21 ning of fiscal year 2014 through fiscal year 2024. Imple-
22 mentation of this subsection shall be carried out in accord-
23 ance with the provisions of Appendix A to this Agree-
24 ment.”.

1 (3) FISCAL CONSOLIDATION FUND.—Section 3
2 of the Agreement shall be construed as though the
3 section reads as follows:

4 **“SEC. 3. FISCAL CONSOLIDATION FUND.**

5 “The Government of the United States shall provide
6 the Government of Palau \$10,000,000 in fiscal year 2014
7 for deposit in an interest bearing account to be used to
8 reduce government arrears of Palau. Implementation of
9 this section shall be carried out in accordance with the
10 provisions of Appendix B to this Agreement.”.

11 (4) DIRECT ECONOMIC ASSISTANCE.—Sub-
12 section (a) of section 4 of the Agreement shall be
13 construed as though the subsection reads as follows:

14 “(a) In addition to the economic assistance of
15 \$13,147,000 provided to the Government of Palau by the
16 Government of the United States in each of fiscal years
17 2010, 2011, 2012, and 2013, and unless otherwise speci-
18 fied in this Agreement or in an Appendix to this Agree-
19 ment, the Government of the United States shall provide
20 the Government of Palau \$69,250,000 in economic assist-
21 ance as follows—

22 “(1) \$12,000,000 in fiscal year 2014;

23 “(2) \$11,500,000 in fiscal year 2015;

24 “(3) \$10,000,000 in fiscal year 2016;

25 “(4) \$8,500,000 in fiscal year 2017;

- 1 “(5) \$7,250,000 in fiscal year 2018;
2 “(6) \$6,000,000 in fiscal year 2019;
3 “(7) \$5,000,000 in fiscal year 2020;
4 “(8) \$4,000,000 in fiscal year 2021;
5 “(9) \$3,000,000 in fiscal year 2022; and
6 “(10) \$2,000,000 in fiscal year 2023.

7 The funds provided in any fiscal year under this sub-
8 section for economic assistance shall be provided in 4
9 quarterly payments (30 percent in the first quarter, 30
10 percent in the second quarter, 20 percent in the third
11 quarter, and 20 percent in the fourth quarter) unless oth-
12 erwise specified in this Agreement or in an Appendix to
13 this Agreement.”.

14 (5) INFRASTRUCTURE PROJECTS.—Section 5 of
15 the Agreement shall be construed as though the sec-
16 tion reads as follows:

17 **“SEC. 5. INFRASTRUCTURE PROJECTS.**

18 “The Government of the United States shall provide
19 grants totaling \$40,000,000 to the Government of Palau
20 as follows: \$30,000,000 in fiscal year 2014; and
21 \$5,000,000 annually in each of fiscal years 2015 and
22 2016; towards 1 or more mutually agreed infrastructure
23 projects in accordance with the provisions of Appendix C
24 to this Agreement.”.

1 (d) CONTINUING PROGRAMS AND LAWS.—Section
2 105(f)(1)(B)(ix) of the Compact of Free Association
3 Amendments Act of 2003 (48 U.S.C. 192ld(f)(1)(B)(ix))
4 is amended by striking “2009” and inserting “2024”.

5 (e) PASSPORT REQUIREMENT.—Section 141 of Arti-
6 cle IV of Title One of the Compact of Free Association
7 shall be construed and applied as if it read as follows:

8 **“SEC. 141. PASSPORT REQUIREMENT.**

9 “(a) Any person in the following categories may be
10 admitted to, lawfully engage in occupations, and establish
11 residence as a nonimmigrant in the United States and its
12 territories and possessions without regard to paragraphs
13 (5) or (7)(B)(i)(II) of section 212(a) of the Immigration
14 and Nationality Act (8 U.S.C. 1182(a)(5) or
15 (a)(7)(B)(i)(II)), provided that the passport presented to
16 satisfy section 212(a)(7)(B)(i)(I) of such Act is a valid
17 unexpired machine-readable passport that satisfies the
18 internationally accepted standard for machine read-
19 ability—

20 “(1) a person who, on September 30, 1994, was
21 a citizen of the Trust Territory of the Pacific Is-
22 lands, as defined in title 53 of the Trust Territory
23 Code in force on January 1, 1979, and has become
24 and remains a citizen of Palau;

1 “(2) a person who acquires the citizenship of
2 Palau, at birth, on or after the effective date of the
3 Constitution of Palau; or

4 “(3) a naturalized citizen of Palau, who has
5 been an actual resident of Palau for not less than
6 five years after attaining such naturalization and
7 who holds a certificate of actual residence.

8 “(b) Such persons shall be considered to have the per-
9 mission of the Secretary of Homeland Security of the
10 United States to accept employment in the United States.

11 “(c) The right of such persons to establish habitual
12 residence in a territory or possession of the United States
13 may, however, be subjected to non-discriminatory limita-
14 tions provided for—

15 “(1) in statutes or regulations of the United
16 States; or

17 “(2) in those statutes or regulations of the ter-
18 ritory or possession concerned which are authorized
19 by the laws of the United States.

20 “(d) Section 141(a) does not confer on a citizen of
21 Palau the right to establish the residence necessary for
22 naturalization under the Immigration and Nationality Act,
23 or to petition for benefits for alien relatives under that
24 Act. Section 141(a), however, shall not prevent a citizen

1 of Palau from otherwise acquiring such rights or lawful
2 permanent resident alien status in the United States.”.

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