

115TH CONGRESS
1ST SESSION

H. R. 2085

To approve an agreement between the United States and the Republic of Palau, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 2017

Mr. SABLAN (for himself and Ms. BORDALLO) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

1 United States and the Republic of Palau on Sep-
2 tember 3, 2010.

3 (2) COMPACT OF FREE ASSOCIATION.—The
4 term “Compact of Free Association” means the
5 Compact of Free Association between the Govern-
6 ment of the United States of America and the Gov-
7 ernment of Palau (48 U.S.C. 1931 note; Public Law
8 99–658).

9 (b) RESULTS OF COMPACT REVIEW.—

10 (1) IN GENERAL.—Title I of Public Law 99–
11 658 (48 U.S.C. 1931 et seq.) is amended by adding
12 at the end the following:

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

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

23 “(1) except for the extension of Article X of the
24 Agreement Regarding Federal Programs and Serv-
25 ices, and Concluded Pursuant to Article II of Title

1 II and section 232 of the Compact of Free Associa-
2 tion; and

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

4 “(b) WITHHOLDING OF FUNDS.—If the Republic of
5 Palau withdraws more than \$9,000,000 from the trust
6 fund established under section 211(f) of the Compact of
7 Free Association in fiscal year 2018, amounts payable
8 under sections 1, 2(a), 3, and 4(a), of the Agreement shall
9 be withheld from the Republic of Palau until the date on
10 which the Republic of Palau reimburses the trust fund for
11 the total amounts withdrawn that exceeded \$9,000,000 in
12 that fiscal year, except that funds to be provided under
13 section 3 of the Agreement may be released to replenish
14 the 211(f) Fund if an arrangement had been made be-
15 tween the United States and the Republic of Palau to ad-
16 vance funds during such fiscal year from the 211(f) Fund
17 for the purposes allowable under section 3 of the Agree-
18 ment.

19 “(c) FUNDING FOR CERTAIN PROVISIONS UNDER
20 SECTION 105 OF COMPACT OF FREE ASSOCIATION.—Not
21 later than 30 days after the date of the enactment of this
22 section, out of any funds in the Treasury not otherwise
23 appropriated, the Secretary of the Treasury shall transfer
24 to the Secretary of the Interior such sums as are necessary
25 for the Secretary of the Interior to implement sections 1,

1 2(a), 3, 4(a), 5, and 6 of the Agreement, which sums shall
2 remain available until expended without any further ap-
3 propriation.

4 “(d) AUTHORIZATIONS OF APPROPRIATIONS.—There
5 are authorized to be appropriated—

6 “(1) to the Secretary of the Interior to sub-
7 sidize postal services provided by the United States
8 Postal Service to the Republic of Palau, the Repub-
9 lic of the Marshall Islands, and the Federated States
10 of Micronesia, \$1,500,000 for each of fiscal years
11 2018 through 2024, to remain available until ex-
12 pended but may be available pursuant to this para-
13 graph to the United States Postal Service only so
14 long as domestic postage may be used for mail to
15 Palau, the Federated States of Micronesia, and the
16 Republic of the Marshall Islands; and

17 “(2) to the head of each Federal entity de-
18 scribed in paragraphs (1), (3), and (4) of section
19 221(a) of the Compact of Free Association (includ-
20 ing the successor of each Federal entity) to carry
21 out the responsibilities of the Federal entity under
22 section 221(a) of the Compact of Free Association
23 such sums as are necessary, to remain available
24 until expended.”.

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

4 (c) PAYMENT SCHEDULE; WITHHOLDING OF FUNDS;
 5 FUNDING.—

6 (1) COMPACT SECTION 211(f) FUND.—Section
 7 1 of the Agreement shall be construed as though the
 8 section reads as follows:

9 **“SEC. 1. COMPACT SECTION 211(f) FUND.**

10 “The Government of the United States shall con-
 11 tribute \$30,250,000 to the Fund referred to in section
 12 211(f) of the Compact in accordance with the following
 13 schedule:

14 “(1) \$22,000,000 in fiscal year 2018.

15 “(2) \$2,000,000 in each of fiscal years 2019
 16 through 2022.

17 “(3) \$250,000 in fiscal year 2023.”.

18 (2) INFRASTRUCTURE MAINTENANCE FUND.—

19 Subsection (a) of section 2 of the Agreement shall
 20 be construed as though the subsection reads as fol-
 21 lows:

22 “(a) The Government of the United States shall pro-
 23 vide a grant of \$16,000,000 in fiscal year 2018, rep-
 24 resenting the amounts to have been provided by the
 25 United States in fiscal years 2011 through 2017 under

1 section 2(a) of the Agreement, and a grant of \$2,000,000
2 annually from the beginning of fiscal year 2019 through
3 fiscal year 2024 to create a trust fund, to be known as
4 the ‘Infrastructure Maintenance Fund’, to be used for the
5 routine and periodic maintenance of major capital im-
6 provement projects financed by funds provided by the
7 United States. The Government of the Republic of Palau
8 shall match the contributions made by the United States
9 by making contributions of \$150,000 to the Infrastructure
10 Maintenance Fund on a quarterly basis from the begin-
11 ning of fiscal year 2018 through fiscal year 2024. Imple-
12 mentation of this subsection shall be carried out in accord-
13 ance with the provisions of Appendix A of this Agree-
14 ment.”.

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

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

19 “The Government of the United States shall provide
20 the Government of Palau \$10,000,000 in fiscal year 2018
21 for deposit in an interest bearing account to be used to
22 reduce government arrears of Palau. Implementation of
23 this section shall be carried out in accordance with the
24 provisions of Appendix B of this Agreement.”.

1 (4) DIRECT ECONOMIC ASSISTANCE.—Sub-
2 section (a) of section 4 of the Agreement shall be
3 construed as though the subsection reads as follows:
4 “(a) In addition to the economic assistance of
5 \$13,147,000 provided to the Government of Palau by the
6 Government of the United States in each of fiscal years
7 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017,
8 and unless otherwise specified in this Agreement or in an
9 Appendix of this Agreement, the Government of the
10 United States shall provide the Government of Palau
11 \$27,250,000 in economic assistance as follows:
12 “(1) \$7,250,000 in fiscal year 2018.
13 “(2) \$6,000,000 in fiscal year 2019.
14 “(3) \$5,000,000 in fiscal year 2020.
15 “(4) \$4,000,000 in fiscal year 2021.
16 “(5) \$3,000,000 in fiscal year 2022.
17 “(6) \$2,000,000 in fiscal year 2023.
18 The funds provided in any fiscal year under this sub-
19 section for economic assistance shall be provided in 4
20 quarterly payments (30 percent in the first quarter, 30
21 percent in the second quarter, 20 percent in the third
22 quarter, and 20 percent in the fourth quarter) unless oth-
23 erwise specified in this Agreement or in an Appendix of
24 this Agreement.”.

1 (5) INFRASTRUCTURE PROJECTS.—Section 5 of
2 the Agreement shall be construed as though the sec-
3 tion reads as follows:

4 **“SEC. 5. INFRASTRUCTURE PROJECTS.**

5 “The Government of the United States shall provide
6 in fiscal year 2018, \$40,000,000 to the Government of
7 Palau towards one or more mutually agreed infrastructure
8 projects in accordance with the provisions of Appendix C
9 to this Agreement.”.

10 (d) CONTINUING PROGRAMS AND LAWS.—Section
11 105(f)(1)(B)(ix) of the Compact of Free Association
12 Amendments Act of 2003 (48 U.S.C. 192ld(f)(1)(B)(ix))
13 is amended by striking “2009” and inserting “2024”.

14 (e) AUDIT; FULL FAITH AND CREDIT; INFLATION
15 ADJUSTMENT.—The Secretary of the Interior shall fund
16 the amounts necessary to conduct the audits required by
17 section 6 and Appendix D of the Agreement. Section 236
18 of the Compact applies to the commitments of the United
19 States under sections 1, 2(a), 3, 4(a), and 5 of the Agree-
20 ment, and to the amounts necessary to conduct such au-
21 dits, to the same extent as section 236 applies to the Com-
22 pact. Section 215 of the Compact shall be applied to such
23 commitments and amounts by substituting “2010” for
24 “1981”.

1 (f) PASSPORT REQUIREMENT.—Section 141 of Arti-
2 cle IV of Title One of the Compact of Free Association
3 shall be construed and applied as if it read as follows:

4 **“SEC. 141. PASSPORT REQUIREMENT.**

5 “(a) IN GENERAL.—An individual in one of the fol-
6 lowing categories may be admitted to lawfully engage in
7 occupations and establish residence as a nonimmigrant in
8 the United States and its territories and possessions with-
9 out regard to paragraphs (5) or (7)(B)(i)(II) of section
10 212(a) of the Immigration and Nationality Act (8 U.S.C.
11 1182(a)(5) or (a)(7)(B)(i)(II)), if the passport presented
12 to satisfy section 212(a)(7)(B)(i)(I) of such Act is a valid,
13 unexpired, machine-readable passport that satisfies the
14 internationally accepted standard for machine readability:

15 “(1) An individual who, on September 30,
16 1994, was a citizen of the Trust Territory of the Pa-
17 cific Islands, as defined in title 53 of the Trust Ter-
18 ritory Code in force on January 1, 1979, and has
19 become and remains a citizen of Palau.

20 “(2) An individual who acquires the citizenship
21 of Palau, at birth, on or after the effective date of
22 the Constitution of Palau.

23 “(3) A naturalized citizen of Palau, who has
24 been an actual resident of Palau for not less than

1 five years after attaining such naturalization and
2 who holds a certificate of actual residence.

3 “(b) EMPLOYMENT.—An individual in one of the cat-
4 egories in paragraphs (1) through (3) of subsection (a)
5 shall be considered to have the permission of the Secretary
6 of Homeland Security of the United States to accept em-
7 ployment in the United States.

8 “(c) HABITUAL RESIDENCE.—The right of an indi-
9 vidual in one of the categories in paragraphs (1) through
10 (3) of subsection (a) to establish habitual residence in a
11 territory or possession of the United States may be sub-
12 jected to non-discriminatory limitations provided for—

13 “(1) in statutes or regulations of the United
14 States; and

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

18 “(d) CLARIFICATION.—Subsection (a)—

19 “(1) does not confer on a citizen of Palau the
20 right to establish the residence necessary for natu-
21 ralization under the Immigration and Nationality
22 Act, or to petition for benefits for alien relatives
23 under that Act; and

1 “(2) shall not prevent a citizen of Palau from
2 otherwise acquiring such rights or lawful permanent
3 resident alien status in the United States.”.

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