

Updated November 7, 2024

The Pacific Islands: Background and Issues for Congress

Overview

The Pacific Islands region encompasses 14 Pacific Island countries (PICs), the U.S. state of Hawaii, and several U.S. territories, and spans nearly 15% of the Earth's surface. Successive U.S. Administrations and some Members of Congress have identified significant U.S. national security interests in the region, including maintaining free and open waterways, supporting U.S. diplomatic engagement, providing assistance in areas such as economic development, sustainable fisheries, and climate change, and maintaining strong economic and security ties with the Freely Associated States. U.S. policymakers also have aimed to address security and other threats posed by the People's Republic of China (PRC or China) in the region.

Geopolitical Context

Pacific Island countries are diverse in geography and economies. They are scattered over a broad expanse of ocean and divided among three subregions—Micronesia, Polynesia, and Melanesia (see **Figure 1**). The United States has long held major economic and strategic roles in the Micronesian subregion, home to two U.S. territories (Guam and the Northern Mariana Islands) and to the Freely Associated States (FAS)—Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), and Republic of Palau. U.S. territory American Samoa lies in the Polynesian subregion, where France has territories ("collectivities") and military bases. Australia and New Zealand maintain strong relations with most PICs, particularly in Melanesia. China is pursuing closer political, security, and economic relations with the region, and since 2019 has established diplomatic relations with three Pacific Island countries that previously recognized Taiwan.

The Pacific Islands Forum (PIF) is the region's main multinational organization. Headquartered in Fiji, the PIF has 18 members—14 PICs, 2 French collectivities, Australia, and New Zealand. At the 2024 PIF Leaders Meeting in Tonga, American Samoa and Guam were endorsed for associate membership. The PIF also has 21 "dialogue partners" that contribute to PIF discussions and initiatives aimed at regional development and security. The United States has been a dialogue partner since 1989. Australia, the Asia Development Bank, China, Japan, New Zealand, and the United States were the top providers of development assistance to the Pacific Islands in 2023.

Recent U.S. Initiatives

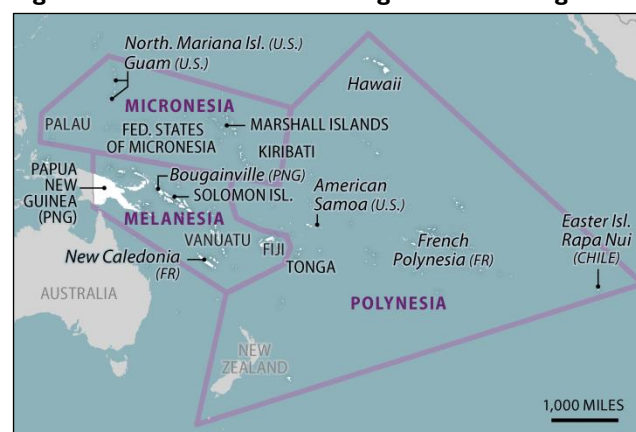
The Trump Administration increased foreign assistance to the Pacific Islands, and the Biden Administration further expanded U.S. engagement and assistance in the region. The Biden Administration held two U.S.-Pacific Islands Forum Summits, in 2022 and 2023. It announced the U.S. Pacific Partnership Strategy and other new initiatives and funding. Total U.S. development assistance to the region

increased from \$26.4 million in FY2020 to \$57.6 million in FY2023, according to the U.S. Agency for International Development (USAID).

The Biden Administration's expanded U.S. programming for the region has included support for managing fisheries and combatting illegal, unreported, and unregulated (IUU) fishing; addressing the effects of climate change; infrastructure investment; development financing; security cooperation; and digital connectivity and cybersecurity. Other U.S. efforts since 2020 include the following:

- The United States established new embassies in the Solomon Islands, Tonga, and Vanuatu, and plans to open an embassy in Kiribati and appoint a resident ambassador to Samoa.
- In 2022, the State Department designated Ambassador Frankie Reed as the first-ever U.S. Envoy to the Pacific Islands Forum.
- In 2023, the United States and Papua New Guinea signed a Defense Cooperation Agreement (DCA) that allows the U.S. military to develop and operate out of bases in PNG with the PNG government's approval.
- In 2024, U.S. Indo-Pacific Command established Joint Task Force Micronesia (JTF-M) as a new command in Guam responsible for Indo-Pacific operational defense.

Figure 1. The Pacific Islands Region and Subregions



Source: Congressional Research Service.

The United States and the Region

U.S. Indo-Pacific Command, based in Hawaii, encompasses the Pacific Islands as part of its area of responsibility. The U.S. military has air and naval bases on Guam, which play key roles in U.S. defense strategy in the region, an airfield on Wake Island, and operates the Ronald Reagan Ballistic Missile Defense Test Site at Kwajalein Atoll in the

Marshall Islands. The Department of Defense is building a high-frequency radar system in Palau and reportedly plans to upgrade an airport, deploy air defense assets, and conduct military exercises on Yap Island in the FSM.

The U.S. military has ties with Fiji, PNG, and Tonga, the only PICs with regular armed forces. The United States also cooperates with Australia and New Zealand on defense activities in the PICs, including joint military exercises. The Biden Administration's Indo-Pacific Strategy (February 2022) stated the United States "will work with partners to establish a multilateral strategic grouping that supports Pacific Island countries as they build their capacity and resilience as secure, independent actors."

USAID assistance to the Pacific Islands focuses on disaster prevention and response, climate resiliency, and sustainable fisheries. Other assistance priorities include economic growth, government and civil society, digital connectivity, energy, health, and HIV/AIDS prevention and treatment in PNG. Through the Partners in the Blue Pacific initiative, the United States is cooperating with partners such as Japan and the Republic of Korea to support development needs.

The United States has shiprider agreements with 12 PICs, allowing local law enforcement officers to embark on U.S. naval and coast guard ships in order to board and search vessels suspected of violating laws and to combat IUU fishing, including by PRC vessels. Over half of the world's tuna is harvested in the region, and some Pacific Island countries heavily rely on tuna for sustenance and revenue. The Department of State provides annual assistance to Pacific Island parties to the South Pacific Tuna Treaty to support sustainable fisheries (\$31 million in FY2023). The Biden Administration requested, and Congress approved, an increase of this assistance to \$60 million in FY2024. China's fishing fleet in the region reportedly has contributed significantly to IUU fishing.

The Freely Associated States

The Compacts of Free Association grant the United States the prerogative to operate military bases in the FAS and to make decisions related to their external security. They also entitle the FAS to U.S. security guarantees and economic assistance. The Consolidated Appropriations Act, 2024 (P.L. 118-42, Division G, Title II, §201, the "Compact of Free Association Amendments Act of 2024") extended such economic assistance to the FAS for twenty years (FY2024-FY2043). (For further information, see CRS In Focus IF12194, *The Compacts of Free Association*, by Thomas Lum.)

China's Influence

China is a significant actor in the region. PRC assistance to the region has included infrastructure, large construction projects, development financing, and security aid. China's annual assistance has declined since 2016, according to the Sydney-based Lowy Institute. China is an important market for PIC natural resource exports and tourism, and China operates the largest fishing fleet in the region. Ten PICs joined China's Belt and Road Initiative, which promotes PRC-backed infrastructure development.

Some observers view national fragility as an opening for PRC influence to grow. PRC engagement with some PICs includes security and law enforcement cooperation. In March 2022, the Solomon Islands and China signed a security agreement in part to address "internal threats." A leaked draft of the agreement suggested the deal may allow China to deploy security and naval assets to the country. In 2024, Fiji restored a decade-old policing cooperation agreement with China that the Fijian Prime Minister had paused in 2022 for a government review. Some observers express concern that PRC law enforcement engagement in the region could lead to a PRC military presence or enable human rights abuses. PIC governments occasionally have pushed back against PRC influence. In 2022, for example, China proposed a diplomatic, economic, and security pact with the region that was dropped due to objections from some PICs.

Security Challenges and U.S. Responses

The PICs face both military and non-traditional security threats. U.S. military assistance aims to address challenges faced by Fiji, Tonga, and Papua New Guinea's military forces such as limited institutional capacity and humanitarian assistance/disaster response capabilities. In 2018, the Pacific Islands Forum released the Boe Declaration on Regional Security, which identifies climate change as "the single greatest threat" to the Pacific.

The United States is partnering with the PNG government to reduce violence and strengthen national institutions through the Global Fragility Act and U.S. Strategy to Prevent Conflict and Promote Stability. Transnational crime is another security challenge, particularly drug trafficking. Some analysts highlight linkages between drug trafficking and other illicit activities in the region such as human trafficking, corruption, and arms smuggling.

Congressional Considerations

Congress shapes U.S. policy toward the Pacific Islands region by supporting U.S. diplomacy, development and other assistance, and security engagement, as well as exercising oversight. In the 118th Congress, the National Defense Authorization Act for FY2024 (P.L. 118-31, §6405 and §7406) called on the Administration to establish a special envoy to deepen U.S. engagement with the region and required the State Department to provide a report on PRC influence operations in the region. Some Members also introduced the U.S. and Pacific Islands Forum Partnership Act (S. 1220); the Blue Pacific Act (H.R. 4538), which would authorize a range of activities aimed at strengthening PICs' economic resilience and security; and the Pacific Islands Partnership Act (H.R. 7159 and S. 4148), which would require the President to develop a strategy for cooperating with Pacific Island nations on shared goals and challenges.

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IF11208

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